

Image Project Order File Cover Page

XHVZE

This page identifies those items that were not scanned during the initial production scanning phase. They are available in the original file, may be scanned during a special rescan activity or are viewable by direct inspection of the file.

0054 Order File Identifier

Organizing (done)

Two-sided



Rescan Needed



RESCAN

- Color Items:
- Greyscale Items:
- Poor Quality Originals:
- Other:

DIGITAL DATA

- Diskettes, No.
- Other, No/Type:

OVERSIZED (Scannable)

- Maps:
- Other Items Scannable by a Large Scanner

OVERSIZED (Non-Scannable)

- Logs of various kinds:
- Other::

NOTES:

BY: Maria Date: 12/18/08 /s/ MP

Project Proofing



BY: Maria Date: 12/18/08 /s/ MP

Scanning Preparation

_____ x 30 = _____ + _____ = TOTAL PAGES 305

(Count does not include cover sheet)

BY: Maria Date: 12/18/08 /s/ MP

Production Scanning



Stage 1 Page Count from Scanned File: 306 (Count does include cover sheet)

Page Count Matches Number in Scanning Preparation: YES NO

BY: Maria Date: 12/18/08 /s/ MP

Stage 1 If NO in stage 1, page(s) discrepancies were found: _____ YES _____ NO

BY: Maria Date: _____ /s/ _____

Scanning is complete at this point unless rescanning is required.



ReScanned



BY: Maria Date: _____ /s/ _____

Comments about this file:

Quality Checked



Index Other 54

Regulation Package Suspended Wells and Requests for Information

1. June 26, 2007 Internal Document re: changes
2. November 28, 2007 AOGCC Request for File Opening
3. November 29, 2007 1st Notice of Hearing, Affidavit of Publication, bulk/e-mail mailing list
4. November 30, 2007 AGO's filing opening
5. November 29, 2007 2nd Notice of Hearing, Affidavit of Publication, bulk/e-mail mailing list
6. January 4, 2008 3rd Notice of Hearing, Affidavit of Publication, bulk/e-mail mailing list
7. January 7, 2008 4th Notice of Hearing, Affidavit of Publication, bulk/e-mail mailing list, transcript of 2/28/08 hearing and exhibits
8. June 17, 2008 Transcript and Exhibits
9. May 1, 2008 Notice of Hearing, Affidavit of Publication, bulk/e-mail mailing list
10. July 30, 2008 Draft Regulation for Public Meeting 7-30-08
11. August 27, 2008 Internal Documents (Memorandum held confidential)
12. ----- Various E-mails
13. August 27, 2008 Regulation Package for Legal review
14. October 14, 2008 Agency-Attorney Review Memorandum (Confidential)
15. October 15, 2008 Department of Law's Review and comments
16. October 20, 2008 LT Governors review

Amended Regulations Dealing with Suspended Wells and Requests for Information

The Alaska Oil and Gas Conservation Commission has fully revised its regulations dealing with suspended well requirements in 20 AAC 25.110 and requests for information in 20 AAC 25.300. The amended suspended wells regulation revises the requirements for suspending wells and maintaining suspended wells and the amended requests for information regulation clarifies and expands requirements relating to information requests. The Lieutenant Governor signed and filed the regulation changes on October 20, 2008, with an effective date of November 20, 2008.

For further information or to obtain a copy of the amended regulations, contact Jody Colombie at (907) 793-1221, fax (907) 276-7542, or e-mail jody.colombie@alaska.gov.

#16

SEAN PARNELL
LIEUTENANT GOVERNOR
www.lt.gov.state.ak.us



PO Box 110015
Juneau, Alaska 99811-0015
907.465.3520
907.465.5400 Fax
lt.governor@alaska.gov

STATE OF ALASKA
OFFICE OF THE LIEUTENANT GOVERNOR
JUNEAU

RECEIVED

OCT 23 2008

MEMORANDUM

Alaska Oil & Gas Cons. Commission
Anchorage

To: Carol Beecher, AAC Contact
Department of Administration

Date: October 20, 2008

From: Jason Hooley
Special Assistant *JH*

Telephone: (907) 465-4082

Re: Filed Permanent Regulations: Alaska Oil and Gas Conservation Commission
Suspended Wells and Requests for Information: 20 AAC 25.110; 20 AAC 25.300

Attorney General File: 993-08-0084
Regulation Filed: 10/20/2008
Effective Date: 11/19/2008
Print: 188, January 2009

cc with enclosures: Linda Miller, Department of Law
Judy Herndon, LexisNexis
Eugene Harnett, Administrative Regulation Review Committee
Shalon Szymanski, Administrative Regulation Review Committee
Jody Colombie, AOGCC

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. **Suspended wells.** (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under this section to approve the suspension of a well or to renew the approval of the suspension of a well. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

(1) the well

- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
- (D) will not impair the recovery of oil or gas;
- (E) is secure, safe, and not a threat to public health; and
- (F) is in compliance with all laws, regulations, permits, and orders; and

provisions of AS 31.05, this chapter, and any order, stipulation, or permit issued by the commission;

(2) the well

- (A) has future utility as an exploratory, development, or service well;
- (B) is a viable candidate for re-drilling; or
- (C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). In addition to meeting the requirements of (a) of this section, the application must include the following:

- (1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (2) information on abnormally geo-pressured or depleted strata; and

(3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

~~The operator shall comply with 20 AAC 25.070.~~

(c) Unless the commission otherwise requires or approves a variance under 20 AAC 25.112(i), any well suspended under this section must be plugged in accordance with 20 AAC 25.112, except that the requirements of 20 AAC 25.112(d) do not apply if

no indent <

^{Tabr}
^{once}
^{more} > (1) a wellhead is installed or the well is capped with a mechanical device to seal the opening; and

^{Tabr}
^{once}
^{more} > (2) a bridge plug capped with 50 feet of cement or a continuous cement plug extending 200 feet within the interior casing string is placed at or above 300 feet below the surface.

(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) For ^a any well suspended ^{before} prior to January 1, 2009, the operator ^{shall} must inspect the well site before September 30, 2010. For ^a any well initially suspended on or after January 1, 2009, the operator ^{shall} must inspect the well site within ¹² twelve months after the date of suspension. For ^a any well suspended under this section, subsequent inspections ^{shall} must be conducted within 24 months ^{before} prior to September 30 of every calendar year ending in 0 or 5, except that ^a no suspended well is ^{not} required to undergo a subsequent inspection under this subsection ^(e) if the initial inspection under this subsection ^(e) occurred within the prior 24-month period. For all inspections under this section, the operator ^{shall} must provide the commission notice at least ¹⁰ ten days ^{before} prior to the inspection and the opportunity for commission inspectors to

accompany the operator on the inspection tour. If convenient for the commission, shorter notice periods may be accepted.

(f) Within 30 days after any well-site inspection required under this section, including (e), (h), and (i) of this section, the operator ~~must~~ ^{shall} file a Report of Sundry Well Operations (Form 10-404). The report ~~shall~~ ^{must} include

(1) a description of the condition of the wellhead and surface location, including any discoloration, fluids ~~(s)~~ or sheen ~~(s)~~ visible on the ground or in any nearby water;

(2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;

(3) well pressure readings, ~~where~~ ^{if} practicable;

(4) photographs clearly showing the condition of the wellhead and surrounding location;

and

(5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) meeting all requirements of (b) of this section. A renewal is not effective until approved by the commission. If a complete renewal application is submitted at least 60 days ~~prior to~~ ^{before} the expiration of an existing suspension, ~~then~~ the existing suspension will continue until the commission acts on the application. Within 24 months ~~prior to~~ ^{before} the submission of a request for suspension renewal, a well-site inspection must be completed.

(i) For wells suspended ~~prior to~~ ^{before} January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal under (h) of this section must be submitted

- (1) no later than December 31, 2010 for all wells suspended ^{before} prior to January 1, 2006; and
- (2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if the operator learns that there is a reasonable risk that a suspended well is (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; (5) a threat to public health or not secure or safe; or (6) not in compliance with all provisions of AS 31.05, ~~20 AAC 25~~, and any order, stipulation, or permit issued by the commission. Within ^{(k) five} working days ^{under (j) of this section} after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

ital the "l" (l)

(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(l) At any time, the commission may request that an operator provide ^{after the date of} within 10 days of the request any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that ^{information} there is insufficient information to support allowing the well to remain suspended, the commission may take action under (20)

AAC 25.540, including

- (1) revoking the well's suspended status, effective as of the date determined by the commission, and
 - (2) prescribing actions the operator must take, which may include plugging and abandonment of the well. ^{this chapter,} If action is ordered, including plugging and abandonment under ~~20 AAC 25~~, a
- lowercase*

separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

the commission may modify a

(n)

(m) Upon written request of the operator, ~~any~~ *deadlines* in this section ~~may be amended by the~~ *commission* upon a showing of good cause. (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am

11 / 19 / 2008 Register 188)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095 →

20 AAC 25.300 is repealed and readopted to read:

20 AAC 25.300. Requests for information. Notwithstanding any other provision of this chapter, if the commission requests that a person provide information or documentation regarding a matter within the commission's jurisdiction, that person must provide that information and documentation within 30 days of the date the request was sent or within another period of time specified by the commission. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; am 11/19/2008 Register 188)

Keep font size consistent

Authority: AS 31.05.030, AS 31.05.040, AS 31.05.095

ORDER CERTIFYING THE CHANGES TO
REGULATIONS OF ALASKA OIL AND GAS CONSERVATION
COMMISSION

The attached 6 pages of regulations, dealing with suspended wells and requests for information under 20 AAC 25, are certified to be a correct copy of the regulation changes that the Alaska Oil and Gas Conservation Commission adopted at its August 27, 2008 meeting, under the authority of AS 31.05.030 and AS 31.05.040 and after complying with the Administrative Procedure Act (AS 44.62), specifically including the notice provisions (AS 44.62.190 and AS 44.62.200) and the opportunity for public comment provision (AS 44.62.210).

This action is not expected to require an increased appropriation.

On the record, in considering public comments, the Alaska Oil and Gas Conservation Commission paid special attention to the cost to private persons of the regulatory action being taken.

The subject regulation changes take effect on the 30th day after they are filed by the lieutenant governor, as provided in AS 44.62.180.

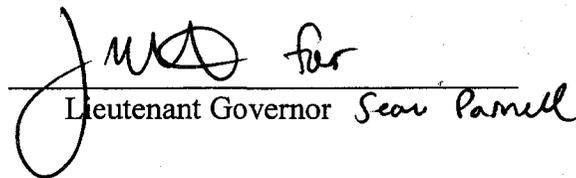
DATE: August 27, 2008
Anchorage



Daniel T. Seamount, Jr.
Chair

FILING CERTIFICATION

Jason M. Hooley for
I, Sean Parnell, Lieutenant Governor for the State of Alaska, certify that on
October 20, 2008 at 1:26 p.m., I filed the attached regulations according to the
provisions of AS 44.62.040 – 44.62.120.



Lieutenant Governor Sean Parnell

Effective: November 19, 2008

Register: 188, January 2009

FOR DELEGATION OF LIEUTENANT GOVERNOR'S AUTHORITY

I, SEAN PARNELL, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, as authorized by AS 44.62.080, designate the following Special Assistant to the Lieutenant Governor to perform the Administrative Procedures Act filing functions of the Lieutenant Governor:

Jason Hooley, Special Assistant, Office of the Lieutenant Governor

IN TESTIMONY WHEREOF, I have signed and affixed the Seal of the State of Alaska, at Anchorage, on July 31, 2007.

Sean Parnell

SEAN PARNELL
LIEUTENANT GOVERNOR



#15

MEMORANDUM

State of Alaska Department of Law

TO: Daniel T. Seamount, Jr., Chair
Alaska Oil and Gas
Conservation Commission

DATE: October 15, 2008 **RECEIVED**

FILE NO.: 993-08-0084

OCT 20 2008

TELEPHONE NO.: 465-3600

Alaska Oil & Gas Cons. Commission
Anchorage

FROM: Steven C. Weaver 
Assistant Attorney General
Legislation/Regulations Section--Juneau

SUBJECT: Regulations re: suspended wells
and requests for information
(20 AAC 25.110; 20 AAC
25.300)

Under AS 44.62.060, we have reviewed the attached regulations changes by the Alaska Oil and Gas Conservation Commission, and approve the changes for filing by the lieutenant governor. I have reviewed this project under a specific delegation dated September 23, 2008 from the Regulations Attorney. A duplicate original of this memorandum is being furnished to the lieutenant governor, along with the six pages of regulations and the related documents.

You might wish to contact the lieutenant governor's office to confirm the filing date and effective date of the attached regulation changes.

The May 2, 2008 public notice and the August 27, 2008 certification order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

In accordance with AS 44.62.125(b)(6), some corrections have been made in the regulations, as shown on the attached copy.

SCW

cc w/enc: Carol Beecher, Special Assistant & Regulations Contact
Department of Administration

✓ Jody Colombie, Special Assistant
Alaska Oil & Gas Conservation Commission

Alan Birbaum
Assistant Attorney General
Oil, Gas & Mining Section--Anchorage

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under this section to approve the suspension of a well or to renew the approval of the suspension of a well. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

(1) the well

(A) is mechanically sound;

(B) will not allow the migration of fluids;

(C) will not damage freshwater or producing or potentially producing formations;

(D) will not impair the recovery of oil or gas;

(E) is secure, safe, and not a threat to public health; and

(F) is in compliance with all laws, regulations, permits, and orders; and

provisions of AS 31.05, this chapter, and any order, stipulation, or permit issued by the commission;

(2) the well

(A) has future utility as an exploratory, development, or service well;

(B) is a viable candidate for redrilling; or

(C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). In addition to meeting the requirements of (a) of this section, the application must include the following:

(1) wellbore diagrams illustrating the current and proposed mechanical configurations of

the well;

(2) information on abnormally geo-pressured or depleted strata; and

accompany the operator on the inspection tour. If convenient for the commission, shorter notice periods may be accepted.

(f) Within 30 days after any well-site inspection required under this section, including (e), (h), and (i) of this section, the operator ~~must~~ ^{shall} file a Report of Sundry Well Operations (Form 10-404). The report ~~shall~~ ^{must} include

- (1) a description of the condition of the wellhead and surface location, including any discoloration, fluids ~~or~~ ^{or} or sheens ~~or~~ ^{or} visible on the ground or in any nearby water;
 - (2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;
 - (3) well pressure readings, ~~where~~ ^{if} practicable;
 - (4) photographs clearly showing the condition of the wellhead and surrounding location;
- and
- (5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) meeting all requirements of (b) of this section. A renewal is not effective until approved by the commission. If a complete renewal application is submitted at least 60 days ~~prior to~~ ^{before} the expiration of an existing suspension, ~~then~~ ^{if} the existing suspension will continue until the commission acts on the application. Within 24 months ~~prior to~~ ^{before} the submission of a request for suspension renewal, a well-site inspection must be completed.

(i) For wells suspended ~~prior to~~ ^{before} January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal under (h) of this section must be submitted

- (1) no later than December 31, 2010 for all wells suspended ^{before} prior to January 1, 2006; and
- (2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if the operator learns that there is a reasonable risk that a suspended well is (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; (5) a threat to public health or not secure or safe; (6) not in compliance with all provisions of AS 31.05, 20 AAC 25, and any order, stipulation, or permit issued by the commission. Within ^(k) five working days under (j) of this section after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

ital the "l" ^(l)

(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(m)

(l) At any time, the commission may request that an operator provide ^{after the date of} (within 10 days of the request) any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that information there is insufficient information to support allowing the well to remain suspended, the commission may take action under (20)

^ AAC 25.540, including

(1) revoking the well's suspended status, effective as of the date determined by the commission, and

(2) prescribing actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment under 20 AAC 25, a this chapter,

lowercase

separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

the commission may modify a

(n)

Upon written request of the operator, any deadlines in this section may be amended by the commission upon a showing of good cause. (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am

___/___/___, Register ___)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

20 AAC 25.300 is repealed and readopted to read:

20 AAC 25.300. Requests for information. Notwithstanding any other provision of this chapter, if the commission requests that a person provide information or documentation regarding a matter within the commission's jurisdiction, that person must provide that information and documentation within 30 days of the date the request was sent or within another period of time specified by the commission. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Keep font size consistent

Authority: AS 31.05.030, AS 31.05.040, AS 31.05.095

AFFIDAVIT OF PUBLICATION

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Shane Drew

being first duly sworn on oath deposes and says that he/she is an representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

May 2, 2008

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed Shane Drew

Subscribed and sworn to before

me this 11 day of Sept

2008

Cynthia A. Grovum
Notary Public in
The State of Alaska
Third Division
Anchorage, Alaska
MY COMMISSION EXPIRES
10/11/09

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission proposes to adopt regulation changes to Chapter 25 of Title 20 of the Alaska Administrative Code, dealing with suspended wells, requests for information, variances from regulations, and waivers of regulations, including:

- 20 AAC 25.110 is proposed to be fully revised (repealed and readopted).

Provisions relating to the following are proposed to be amended:

- requirements for well suspension approval;
- application for well suspension;
- work requirements applicable to suspended wells; and
- reporting requirements applicable to suspended wells.

Provisions relating to the following are proposed to be added:

- requirements for well suspension renewal approval;
- application for well suspension renewal;
- inspection requirements for suspended wells;
- term of well suspension and well suspension renewal;
- well suspension renewal requirements generally;
- well suspension renewal requirements for wells suspended prior to January 1, 2009; and
- actions relating to suspended wells, including grounds and procedures for terminating well suspension or well suspension renewal.

20 AAC 25.110(c), relating to confidentiality, is proposed to be repealed because confidentiality is adequately covered by other provisions of law, including AS 31.05.035 and 20 AAC 25.537.

- 20 AAC 25.300 is proposed to be fully revised (repealed and readopted):

- clarifying and expanding the potential scope of the requested information and documentation; and
- requiring compliance within 30 days or another specified period of time.

- 20 AAC 25.508 is proposed to be added:

- providing for variances from regulations.

- 20 AAC 25.509 is proposed to be added:

- providing for waivers of regulations.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Alaska Oil and Gas Conservation Commission, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The comments must be received no later than 5:00 p.m. on June 17, 2008.

Written comments also may be submitted at a hearing to be held on June 17, 2008, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The hearing will be held from 9:00 a.m. to 10:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact the Commission's Special Assistant, Jody Colomble, at (907) 793-1221, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or jody.colomble@alaska.gov, no later than June 5, 2008 at 5:00 p.m. to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Jody Colomble, at (907) 793-1221, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or go to www.aogccc.alaska.gov.

After the public comment period ends, the Alaska Oil and Gas Conservation Commission will adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED. Written comments received are public records and subject to public inspection.

Statutory Authority: AS 31.05.030 AS 31.05.040

Statutes Being Implemented, Interpreted, or Made Specific: AS 31.05.030 AS 31.05.035

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 04/30/2008
/s/ Daniel T. Seamount
Chair

ADDITIONAL REGULATIONS NOTICE INFORMATION (AS 44.62.190(d))

- Adopting agency: Alaska Oil and Gas Conservation Commission ("Commission").
- General subjects of regulations: suspended wells; requests for additional information; variances from regulations; and waivers of regulations.
- Citation of regulations: 20 AAC 25.110; 20 AAC 25.300; 20 AAC 25.508; and 20 AAC 25.509.
- Reason for the proposed action: clarification and expansion of requirements relating to suspended wells; clarification and expansion of potential scope of, and requirements relating to, Commission information and documentation requests, including establishment of a default deadline for compliance; and addition of provisions for approval of variances from and waivers of regulations.
- RDU/component affected: Alaska Oil and Gas Conservation Commission.
- Cost of implementation to the state agency: zero.
- Contact person for the regulations: Name: Daniel T. Seamount, Jr.
Title: Chair
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colomble@alaska.gov
- Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff
- Date: April 23, 2008.
- Prepared by: Jody J. Colomble, /s/
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

Anchorage Daily News Affidavit of Publication

5/5/2008

1001 Northway Drive, Anchorage, AK 99508

AD#	DATE	PO	ACCOUNT	PRICE PER DAY	OTHER CHARGES	OTHER CHARGES #2	OTHER CHARGES #3	OTHER CHARGES #4	OTHER CHARGES #5	GRAND TOTAL
475470	05/02/2008	02814050	STOF0330	\$697.20	\$697.20	\$0.00	\$0.00	\$0.00	\$0.00	\$697.20

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Angelina Benjamin, being first duly sworn on oath deposes and says that she is an advertising representative of the Anchorage Daily News, a daily newspaper.

That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on the above dates and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed *Angelina Benjamin*

Subscribed and sworn to me before this date:

5/13/08

Notary Public in and for the State of Alaska.
Third Division, Anchorage, Alaska

MY COMMISSION EXPIRES: 8/6/09



**NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION**

The Alaska Oil and Gas Conservation Commission proposes to adopt regulation changes to Chapter 25 of Title 20 of the Alaska Administrative Code, dealing with suspended wells, requests for information, variances from regulations, and waivers of regulations, including:

1. 20 AAC 25.110 is proposed to be fully revised (repealed and readopted).

Provisions relating to the following are proposed to be amended:

- a. requirements for well suspension approval;
- b. application for well suspension;
- c. work requirements applicable to suspended wells; and
- d. reporting requirements applicable to suspended wells.

Provisions relating to the following are proposed to be added:

- a. requirements for well suspension renewal approval;
- b. application for well suspension renewal;
- c. inspection requirements for suspended wells;
- d. term of well suspension and well suspension renewal;
- e. well suspension renewal requirements generally;
- f. well suspension renewal requirements for wells suspended prior to January 1, 2009; and
- g. actions relating to suspended wells, including grounds and procedures for terminating well suspension or well suspension renewal.

20 AAC 25.110(c), relating to confidentiality, is proposed to be repealed because confidentiality is adequately covered by other provisions of law, including AS 31.05.035 and 20 AAC 25.537.

2. 20 AAC 25.300 is proposed to be fully revised (repealed and readopted):

- a. clarifying and expanding the potential scope of the requested information and documentation; and
- b. requiring compliance within 30 days or another specified period of time.

3. 20 AAC 25.508 is proposed to be added:

- a. providing for variances from regulations.

4. 20 AAC 25.509 is proposed to be added:

- a. providing for waivers of regulations.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Alaska Oil and Gas Conservation Commission, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The comments must be received no later than 5:00 p.m. on June 17, 2008.

Written comments also may be submitted at a hearing to be held on June 17, 2008, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The hearing will be held from 9:00 a.m. to 10:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact the Commission's Special Assistant, Jody Colombie, at (907) 793-1221, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or jody.colombie@alaska.gov, no later than June 5, 2008 at 5:00 p.m. to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Jody Colombie, at (907) 793-1121, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or go to www.aogcc.alaska.gov.

After the public comment period ends, the Alaska Oil and Gas Conservation Commission will adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written comments received are public records and subject to public inspection.

Statutory Authority: AS 31.05.030 AS 31.05.040

Statutes Being Implemented, Interpreted, or Made Specific: AS 31.05.030 AS 31.050.095

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 04/30/2008
/s/: Daniel T. Seamount
Chair

**ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))**

1. Adopting agency: Alaska Oil and Gas Conservation Commission ("Commission").
2. General subjects of regulations: suspended wells; requests for additional information; variances from regulations; and waivers of regulations.
3. Citation of regulations: 20 AAC 25.110; 20 AAC 25.300; 20 AAC 25.508; and 20 AAC 25.509.

4. Reason for the proposed action: clarification and expansion of requirements relating to suspended wells; clarification and expansion of potential scope of, and requirements relating to, Commission information and documentation requests, including establishment of a default deadline for compliance; and addition of provisions for approval of variances from and waivers of regulations.

5. RDU/component affected: Alaska Oil and Gas Conservation Commission.

6. Cost of implementation to the state agency: zero.

7. Contact person for the regulations: Name: Daniel T. Seamount, Jr.
Title: Chair
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov

8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff

9. Date: April 23, 2008.

10. Prepared by: Jody J. Colombie, /s/
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

AO-02814050

published
date
CUT OFF

**NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION**

The Alaska Oil and Gas Conservation Commission proposes to adopt regulation changes to Chapter 25 of Title 20 of the Alaska Administrative Code, dealing with suspended wells, requests for information, variances from regulations, and waivers of regulations, including:

1. 20 AAC 25.110 is proposed to be fully revised (repealed and readopted).

Provisions relating to the following are proposed to be amended:

- a. requirements for well suspension approval;
- b. application for well suspension;
- c. work requirements applicable to suspended wells; and
- d. reporting requirements applicable to suspended wells.

Provisions relating to the following are proposed to be added:

- a. requirements for well suspension renewal approval;
- b. application for well suspension renewal;
- c. inspection requirements for suspended wells;
- d. term of well suspension and well suspension renewal;
- e. well suspension renewal requirements generally;
- f. well suspension renewal requirements for wells suspended prior to January 1, 2002; and
- g. actions relating to suspended wells, including grounds and procedures for terminating well suspension or well suspension renewal.

20 AAC 25.110(c), relating to confidentiality, is proposed to be repealed because confidentiality is adequately covered by other provisions of law, including AS 31.05.035 and 20 AAC 25.537.

2. 20 AAC 25.300 is proposed to be fully revised (repealed and readopted):

- a. clarifying and expanding the potential scope of the requested information and documentation; and
- b. requiring compliance within 30 days or another specified period of time.

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- a. providing for variances from regulations.

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Written comments also may be submitted at a hearing to be held on June 17, 2008, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The hearing will be held from 9:00 a.m. to 10:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment.

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After the public comment period ends, the Alaska Oil and Gas Conservation Commission will adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written comments received are public records and subject to public inspection.

Statutory Authority: AS 31.05.030 AS 31.05.040

Statutes Being Implemented, Interpreted, or Made Specific: AS 31.05.030 AS 31.050.095

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 04/30/2008
/s/ Daniel T. Seamont
Chair

**ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))**

1. Adopting agency: Alaska Oil and Gas Conservation Commission ("Commission").
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3. Citation of regulations: 20 AAC 25.110; 20 AAC 25.300; 20 AAC 25.508; and 20 AAC 25.509.
4. Reason for the proposed action: clarification and expansion of requirements relating to suspended wells; clarification and expansion of potential scope of, and requirements relating to, Commission information and documentation requests, including establishment of a default deadline for compliance; and addition of provisions for approval of variances from and waivers of regulations.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:

Name:	Daniel T. Seamont, Jr.
Title:	Chair
Address:	333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone:	(907) 793-1221
E-mail:	jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff
9. Date: April 23, 2008.
10. Prepared by: Jody I. Colombie, /s/
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

AO 02814050
Published: May 2, 2008

14

**AGENCY-ATTORNEY REVIEW
MEMORANDUM
CONFIDENTIAL**

#13

MEMORANDUM

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

TO: Regulations Attorney
Legislation/Regulations Section
Department of Law

DATE: August 27, 2008

SUBJECT: Request for Legal Review
of Regulations Projects on
Suspended Wells 20 AAC 25.110
and Requests for Information 20
AAC 25.300
993-08-0084

FROM: Daniel T. Seamount, Jr., Chair
Regulations Contact
Department of Administration



We are requesting approval of the attached final regulations on the following: 1) changes to the requirements for suspending, and the conditions governing the suspension of, wells; and 2) requests for information. These regulation changes were adopted by Alaska Oil and Gas Conservation Commission on August 27, 2008.

Enclosed are the following documents:

1. original and one copy of the final regulations for the Department of Law's use;
2. original signed and dated certification order;
3. original public notice;
4. original additional regulations notice information form distributed with the notice;
5. original publisher's affidavit of publication;
6. original affidavit of notice;
7. original affidavit of oral hearing;
8. original affidavit of commission action;
9. excerpt from unapproved minutes from the August 27, 2008 meeting;
10. affidavit of notice of proposed adoption and furnishing of additional information.

We worked with Assistant Attorney General Alan Birnbaum on these projects.

Upon completing your review, please forward the regulations to the lieutenant governor for filing. In accordance with AS 44.62.180, the regulation changes will take effect on the 30th day after filing.

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under this section to approve the suspension of a well or to renew the approval of the suspension of a well. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

(1) the well

- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
- (D) will not impair the recovery of oil or gas;
- (E) is secure, safe, and not a threat to public health; and
- (F) is in compliance with all laws, regulations, permits, and orders; and

(2) the well

- (A) has future utility as an exploratory, development, or service well;
- (B) is a viable candidate for redrilling; or
- (C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). In addition to meeting the requirements of (a) of this section, the application must include the following:

(1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;

(2) information on abnormally geo-pressured or depleted strata; and

(3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

The operator shall comply with 20 AAC 25.070.

(c) Unless the commission otherwise requires or approves a variance under 20 AAC 25.112(i), any well suspended under this section must be plugged in accordance with 20 AAC 25.112, except that the requirements of 20 AAC 25.112(d) do not apply if

(1) a wellhead is installed or the well is capped with a mechanical device to seal the opening; and

(2) a bridge plug capped with 50 feet of cement or a continuous cement plug extending 200 feet within the interior casing string is placed at or above 300 feet below the surface.

(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every calendar year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24-month period. For all inspections under this section, the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to

accompany the operator on the inspection tour. If convenient for the commission, shorter notice periods may be accepted.

(f) Within 30 days after any well-site inspection required under this section, including (e), (h), and (i) of this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include

(1) a description of the condition of the wellhead and surface location, including any discoloration, fluids(s) or sheen(s) visible on the ground or in any nearby water;

(2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;

(3) well pressure readings, where practicable;

(4) photographs clearly showing the condition of the wellhead and surrounding location;

and

(5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) meeting all requirements of (b) of this section. A renewal is not effective until approved by the commission. If a complete renewal application is submitted at least 60 days prior to the expiration of an existing suspension, then the existing suspension will continue until the commission acts on the application. Within 24 months prior to the submission of a request for suspension renewal, a well-site inspection must be completed.

(i) For wells suspended prior to January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal under (h) of this section must be submitted

- (1) no later than December 31, 2010 for all wells suspended prior to January 1, 2006; and
- (2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if the operator learns that there is a reasonable risk that a suspended well is (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; (5) a threat to public health or not secure or safe; or (6) not in compliance with all provisions of AS 31.05, 20 AAC 25, and any order, stipulation, or permit issued by the commission. Within 5 working days after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(l) At any time, the commission may request that an operator provide (within 10 days of the request) any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that there is insufficient information to support allowing the well to remain suspended, the commission may take action under 20 AAC 25.540, including

- (1) revoking the well's suspended status, effective as of the date determined by the commission, and

- (2) prescribing actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment under 20 AAC 25, a

separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

(m) Upon written request of the operator, any deadlines in this section may be amended by the commission upon a showing of good cause. (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under this section to approve the suspension of a well or to renew the approval of the suspension of a well. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

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- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
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- (E) is secure, safe, and not a threat to public health; and
- (F) is in compliance with all laws, regulations, permits, and orders; and

(2) the well

- (A) has future utility as an exploratory, development, or service well;
- (B) is a viable candidate for redrilling; or
- (C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). In addition to meeting the requirements of (a) of this section, the application must include the following:

(1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;

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(3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

The operator shall comply with 20 AAC 25.070.

(c) Unless the commission otherwise requires or approves a variance under 20 AAC 25.112(i), any well suspended under this section must be plugged in accordance with 20 AAC 25.112, except that the requirements of 20 AAC 25.112(d) do not apply if

(1) a wellhead is installed or the well is capped with a mechanical device to seal the opening; and

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(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every calendar year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24-month period. For all inspections under this section, the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to

accompany the operator on the inspection tour. If convenient for the commission, shorter notice periods may be accepted.

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- and
- (5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) meeting all requirements of (b) of this section. A renewal is not effective until approved by the commission. If a complete renewal application is submitted at least 60 days prior to the expiration of an existing suspension, then the existing suspension will continue until the commission acts on the application. Within 24 months prior to the submission of a request for suspension renewal, a well-site inspection must be completed.

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(j) The operator shall immediately notify the commission and propose appropriate action if the operator learns that there is a reasonable risk that a suspended well is (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; (5) a threat to public health or not secure or safe; or (6) not in compliance with all provisions of AS 31.05, 20 AAC 25, and any order, stipulation, or permit issued by the commission. Within 5 working days after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(l) At any time, the commission may request that an operator provide (within 10 days of the request) any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that there is insufficient information to support allowing the well to remain suspended, the commission may take action under 20 AAC 25.540, including

- (1) revoking the well's suspended status, effective as of the date determined by the commission, and
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20 AAC 25.300 is repealed and readopted to read:

20 AAC 25.300. Requests for information. Notwithstanding any other provision of this chapter, if the commission requests that a person provide information or documentation regarding a matter within the commission's jurisdiction, that person must provide that information within 30 days of the date the request was sent or within another period of time specified by the commission. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

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Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

ORDER CERTIFYING THE CHANGES TO
REGULATIONS OF ALASKA OIL AND GAS CONSERVATION
COMMISSION

The attached 6 pages of regulations, dealing with suspended wells and requests for information under 20 AAC 25, are certified to be a correct copy of the regulation changes that the Alaska Oil and Gas Conservation Commission adopted at its August 27, 2008 meeting, under the authority of AS 31.05.030 and AS 31.05.040 and after complying with the Administrative Procedure Act (AS 44.62), specifically including the notice provisions (AS 44.62.190 and AS 44.62.200) and the opportunity for public comment provision (AS 44.62.210).

This action is not expected to require an increased appropriation.

On the record, in considering public comments, the Alaska Oil and Gas Conservation Commission paid special attention to the cost to private persons of the regulatory action being taken.

The subject regulation changes take effect on the 30th day after they are filed by the lieutenant governor, as provided in AS 44.62.180.

DATE: August 27, 2008
Anchorage



Daniel T. Seamount, Jr.
Chair

FILING CERTIFICATION

I, Sean Parnell, Lieutenant Governor for the State of Alaska, certify that on _____, 2008 at _____ .m., I filed the attached regulations according to the provisions of AS 44.62.040 – 44.62.120.

Lieutenant Governor

Effective: _____.

Register: _____.

NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION

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Oil and Gas Conservation Commission, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The comments must be received no later than 5:00 p.m. on June 17, 2008.

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If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact the Commission's Special Assistant, Jody Colombie, at (907) 793-1221, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or jody.colombie@alaska.gov, no later than June 5, 2008 at 5:00 p.m. to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Jody Colombie, at (907) 793-1121, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or go to www.aogcc.alaska.gov.

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Statutory Authority: AS 31.05.030 AS 31.05.040

Statutes Being Implemented, Interpreted, or Made Specific: AS 31.05.030 AS 31.050.095

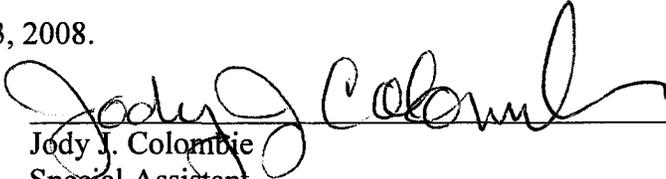
Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 4/30/8



Daniel T. Seamount
Chair

ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission (“Commission”).
2. General subjects of regulations: suspended wells; requests for additional information; variances from regulations; and waivers of regulations.
3. Citation of regulations: 20 AAC 25.110; 20 AAC 25.300; 20 AAC 25.508; and 20 AAC 25.509.
4. Reason for the proposed action: clarification and expansion of requirements relating to suspended wells; clarification and expansion of potential scope of, and requirements relating to, Commission information and documentation requests, including establishment of a default deadline for compliance; and addition of provisions for approval of variances from and waivers of regulations.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: Daniel T. Seamount, Jr.
Title: Chair
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: April 23, 2008.
10. Prepared by: 
Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

Anchorage Daily News Affidavit of Publication

5/5/2008

1001 Northway Drive, Anchorage, AK 99508

AD #	DATE	PO	ACCOUNT	PRICE PER DAY	OTHER CHARGES	OTHER CHARGES #2	OTHER CHARGES #3	OTHER CHARGES #4	OTHER CHARGES #5	GRAND TOTAL
475470	05/02/2008	02814050	STOF0330	\$697.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$697.20

STATE OF ALASKA THIRD JUDICIAL DISTRICT

Angelina Benjamin, being first duly sworn on oath deposes and says that she is an advertising representative of the Anchorage Daily News, a daily newspaper.

That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on the above dates and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed

Angelina Benjamin

Subscribed and sworn to me before this date:

5/13/08

Notary Public in and for the State of Alaska.
Third Division, Anchorage, Alaska

MY COMMISSION EXPIRES: 8/6/09



NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission proposes to adopt regulation changes to Chapter 25 of Title 20 of the Alaska Administrative Code, dealing with suspended wells, requests for information, variances from regulations, and waivers of regulations, including:

- 20 AAC 25.110 is proposed to be fully revised (repealed and readopted).

Provisions relating to the following are proposed to be amended:

- requirements for well suspension approval;
- application for well suspension;
- work requirements applicable to suspended wells; and
- reporting requirements applicable to suspended wells.

Provisions relating to the following are proposed to be added:

- requirements for well suspension renewal approval;
- application for well suspension renewal;
- inspection requirements for suspended wells;
- term of well suspension and well suspension renewal;
- well suspension renewal requirements generally;
- well suspension renewal requirements for wells suspended prior to January 1, 2009; and
- actions relating to suspended wells, including grounds and procedures for terminating well suspension or well suspension renewal.

20 AAC 25.110(c), relating to confidentiality, is proposed to be repealed because confidentiality is adequately covered by other provisions of law, including AS 31.05.035 and 20 AAC 25.537.

- 20 AAC 25.300 is proposed to be fully revised (repealed and readopted):

- clarifying and expanding the potential scope of the requested information and documentation; and
- requiring compliance within 30 days or another specified period of time.

- 20 AAC 25.508 is proposed to be added:

- providing for variances from regulations.

- 20 AAC 25.509 is proposed to be added:

- providing for waivers of regulations.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Alaska Oil and Gas Conservation Commission, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The comments must be received no later than 5:00 p.m. on June 17, 2008.

Written comments also may be submitted at a hearing to be held on June 17, 2008, at 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501. The hearing will be held from 9:00 a.m. to 10:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact the Commission's Special Assistant, Jody Colombie, at (907) 793-1221, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or jody.colombie@alaska.gov, no later than June 5, 2008 at 5:00 p.m. to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Jody Colombie, at (907) 793-1221, 333 West 7th Avenue, Suite 100, Anchorage, Alaska 99501, or go to www.aogcc.alaska.gov.

After the public comment period ends, the Alaska Oil and Gas Conservation Commission will adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED. Written comments received are public records and subject to public inspection.

Statutory Authority: AS 31.05.030 AS 31.05.040

Statutes Being Implemented, Interpreted, or Made Specific: AS 31.05.030 AS 31.050.095

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 04/30/2008
/s/ Daniel T. Seamount
Chair

ADDITIONAL REGULATIONS NOTICE INFORMATION (AS 44.62.190(d))

- Adopting agency: Alaska Oil and Gas Conservation Commission ("Commission").
- General subjects of regulations: suspended wells; requests for additional information; variances from regulations; and waivers of regulations.
- Citation of regulations: 20 AAC 25.110; 20 AAC 25.300; 20 AAC 25.508; and 20 AAC 25.509.

4. Reason for the proposed action: clarification and expansion of requirements relating to suspended wells; clarification and expansion of potential scope of, and requirements relating to, Commission information and documentation requests, including establishment of a default deadline for compliance; and addition of provisions for approval of variances from and waivers of regulations.

5. RDU/component affected: Alaska Oil and Gas Conservation Commission.

6. Cost of implementation to the state agency: zero.

7. Contact person for the regulations: Name: Daniel T. Seamount, Jr.
Title: Chair
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov

8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff

9. Date: April 23, 2008.

10. Prepared by: Jody J. Colombie, /s/
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

AO-02814050

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

AFFIDAVIT OF ORAL HEARING

I, Jody J. Colombie, Special Assistant to the Alaska Oil and Gas Conservation Commission, being sworn, state the following:

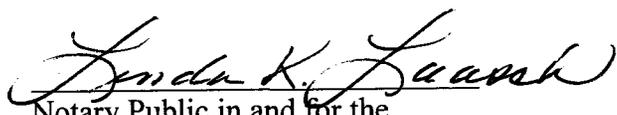
On August 27, 2008, at 9:00 a.m., at 333 West 7th Avenue, Suite 100, Anchorage, Alaska, a public hearing presided over by Daniel T. Seamount, Jr., Chair, was held in accordance with AS 44.62.210 for the purpose of voting on the adoption of changes to 20 AAC 25.110, dealing with suspended wells, and 20 AAC 25.300, dealing with requests for information.

DATE: August 27, 2008
Anchorage



Jody J. Colombie
Special Assistant to the Commission

SUBSCRIBED AND SWORN TO before me this 27th day of August, 2008.



Notary Public in and for the
State of Alaska
My commission expires: 11/11/2010

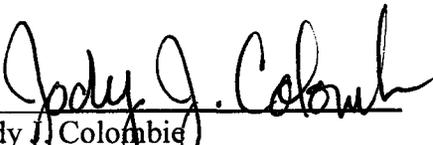
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

AFFIDAVIT OF COMMISSION ACTION

I, Jody J. Colombie, Special Assistant to the Alaska Oil and Gas Conservation Commission, being sworn, state the following:

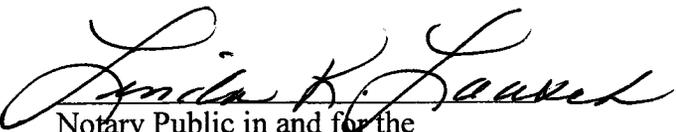
The attached motion, dealing with suspended wells and requests for information regulation changes, was passed by the Alaska Oil and Gas Conservation Commission during its August 27, 2008 meeting.

Date: August 27, 2008
Anchorage



Jody J. Colombie
Special Assistant to the Commission

SUBSCRIBED AND SWORN TO before me this 27th day of August 2008.



Notary Public in and for the
State of Alaska
My commission expires: 11/11/2010

ALASKA OIL AND GAS CONSERVATION COMMISSION MEETING
August 27, 2008 Unapproved Minutes

Commissioner John K. Norman moved and Commissioner Cathy P. Foerster seconded the following motion:

“I move to adopt the attached draft amendment to 20 AAC 25.110.”

The motion carried unanimously.

Commissioner Cathy P. Foerster moved and Commissioner John K. Norman seconded the following motion:

“I move to adopt the attached draft amendment to 20 AAC 25.300.”

The motion carried unanimously.

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

AFFIDAVIT OF NOTICE OF PROPOSED ADOPTION OF REGULATIONS
AND FURNISHING OF ADDITIONAL INFORMATION

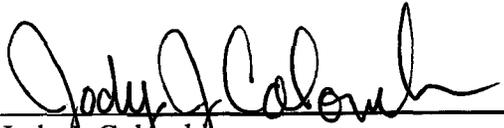
I, Jody J. Colombie, Special Assistant to the Alaska Oil and Gas Conservation Commission, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 20 AAC 25.110, dealing with suspended wells, and 20 AAC 25.300, dealing with requests for information, was given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to interested persons as shown on the attached list;
- (3) furnished to appropriate state officials;
- (4) furnished to the Department of Law, along with a copy of the proposed regulations;
- (5) electronically transmitted to incumbent State of Alaska legislators;
- (6) furnished to the Legislative Affairs Agency, Legislative Library;
- (7) posted on the Alaska Online Public Notice System, as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1);
- (8) furnished electronically, along with a copy of the proposed regulations, to the Legislative Affairs Agency, the chairs of the Senate Resources Committee and House Special Committee of Oil and Gas, the Administrative Regulation Review Committee, and the Legislative Council.

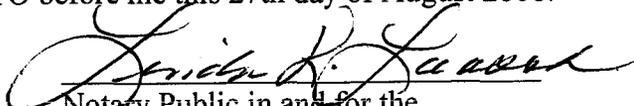
As required by AS 44.62.190(d), additional regulations notice information regarding the proposed adoption of the regulation changes described above was furnished to interested persons as shown on the attached list and those in (5) and (6) of the list above. The additional regulations notice information was posted on the Alaska Online Public Notice System.

DATE: August 27, 2008
Anchorage



Jody J. Colombie
Special Assistant to the Commission

SUBSCRIBED AND SWORN TO before me this 27th day of August 2008.



Notary Public in and for the
State of Alaska
My commission expires: 11/11/2010

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Thursday, May 01, 2008 9:30 AM
Subject: Notice of Hearing - Proposed Regulations
Attachments: 20 AAC 25.100.pdf; Notice of Hearing Regulations.pdf; 20 AAC 25.509.pdf; 20 ACC 25.508.pdf; 20 AAC 25.300.pdf

BCC:Birnbaum, Alan J (LAW); Crisp, John H (DOA); Davies, Stephen F (DOA); Fleckenstein, Robert J (DOA); Foerster, Catherine P (DOA); Grimaldi, Louis R (DOA); Johnson, Elaine M (DOA); Jones, Jeffery B (DOA); Laasch, Linda K (DOA); Mahnken, Christine R (DOA); Maunder, Thomas E (DOA); McIver, C (DOA); McMains, Stephen E (DOA); Noble, Robert C (DOA); Norman, John K (DOA); Okland, Howard D (DOA); Paladijczuk, Tracie L (DOA); Pasqual, Maria (DOA); Regg, James B (DOA); Roby, David S (DOA); Saltmarsh, Arthur C (DOA); Scheve, Charles M (DOA); Seamount, Dan T (DOA); Smith, Chasity R (DOA); Williamson, Mary J (DOA); David Johnson; 'Kara, Danny T'; 'Leslie Adams'; Randy Hicks; 'Aleutians East Borough'; 'Anna Raff'; Arion, Teri A (DNR); 'Arthur Copoulos'; 'Barbara F Fullmer'; 'bbritch'; 'Bill Walker'; 'Brad McKim'; 'Brandon Gagnon'; 'Brian Gillespie'; 'Brian Havelock'; 'Brit Lively'; 'Bruce Webb'; 'buonoje'; 'Cammy Taylor'; 'Cande.Brandow'; 'carol smyth'; 'Cary Carrigan'; caunderwood@marathonoil.com; 'Charles O'Donnell'; 'Chris Gay'; 'Christian Gou-Leonhardt'; 'Cliff Posey'; 'Dan Bross'; 'dapa'; 'Daryl J. Kleppin'; 'David Brown'; 'David Hall'; David House; 'David L Boelens'; 'David Steingreaber'; 'ddonkel'; 'Deanna Gamble'; 'Deborah J. Jones'; 'doug_schultze'; 'Eric Lidji'; 'Evan Harness'; 'eyancy'; 'foms2@mtaonline.net'; 'Francis S. Sommer'; 'Fred Steece'; 'Garland Robinson'; 'Gary Laughlin'; 'Gary Rogers'; 'Gary Schultz'; 'ghammons'; 'Gordon Pospisil'; Gould, Greg M (DEC); 'Gregg Nady'; 'gregory micallef'; 'gspfoff'; 'Hank Alford'; 'Harry Engel'; 'jah'; 'James Scherr'; 'Janet D. Platt'; 'jejones'; 'Jerry McCutcheon'; 'Jim Arlington'; 'Jim White'; 'Jim Winegarner'; 'Joe Nicks'; 'John Garing'; 'John S. Haworth'; 'John Spain'; 'John Tower'; 'John W Katz'; johnny.aiken@north-slope.org; 'Jon Goltz'; 'Julie Houle'; 'Kari Moriarty'; 'Kaynell Zeman'; 'Keith Wiles'; knelson@petroleumnews.com; 'Krissell Crandall'; 'Kristin Dirks'; 'Laura Silliphant'; 'Lois'; 'Lynnda Kahn'; 'mail=akpratts@acsalaska.net'; 'mail=foms@mtaonline.net'; 'Marilyn Crockett'; 'Mark Dalton'; 'Mark Hanley'; 'Mark Kovac'; 'Mark P. Worcester'; 'Marquerite kremer'; 'marty'; 'Matt Rader'; 'Meghan Powell'; 'Mike Bill'; 'Mike Mason'; 'Mikel Schultz'; 'Mindy Lewis'; 'MJ Loveland'; 'mjnelson'; 'mkm7200'; 'Nick W. Glover'; NSK Problem Well Supv; NSU, ADW Well Integrity Engineer; 'Patty Alfaro'; 'Paul Decker'; 'Paul Winslow'; Pierce, Sandra M (DNR); 'Randall Kanady'; 'Randy L. Skillern'; 'rcrotty'; Rice, Cody J (DNR); 'rmclean'; 'Rob McWhorter'; rob.g.dragnich@exxonmobil.com; 'Robert Campbell'; 'Robert Fowler'; 'Robert Province'; 'Roger Belman'; 'Rudy Brueggeman'; 'Scott Cranswick'; 'Shannon Donnelly'; 'Sharmaine Copeland'; 'Sondra Stewman'; 'Sonja Frankllin'; 'Stan Porhola'; 'stanekj'; 'Steve Lambert'; 'Steve Moothart'; 'Steven R. Rossberg'; 'tablerk'; 'Tamera Sheffield'; 'Temple Davidson'; 'Terrie Hubble'; 'Tim Lawlor'; 'Todd Durkee'; Tony Hopfinger; 'trmjr1'; 'Walter Featherly'; 'Walter Quay'; 'Wayne Rancier'; 'Dale Hoffman'; Fridiric Grenier; Joseph Longo; Maurizio Grandi; Tom Gennings; Buch, Bob (LAA); Bunde, Con (LAA); Chenault, Mike (LAA); Cissna, Sharon (LAA); Coghill, John (LAA); Cowdery, John (LAA); Crawford, Harry (LAA); Dahlstrom, Nancy (LAA); Davis, Bettye J (LAA); Doll, Andrea (LAA); Doogan, Mike (LAA); Dyson, Fred (LAA); Edgmon, Bryce E (LAA); Ellis, Johnny (LAA); Elton, Kim S (LAA); Fairclough, Anna (LAA); 'Foster, Richard'; French, Hollis (LAA); Gara, Les (LAA); Gardner, Berta (LAA); Gatto, Carl (LAA); Green, Lyda N (LAA); Gruenberg, Max F (LAA); Guttenberg, David (LAA); Harris, John (LAA); Hawker, Mike (LAA); Hoffman, Lyman F (LAA); Holmes, Lindsey (LAA); Huggins, Charlie (LAA); Johansen, Kyle B (LAA); Johnson, Craig W (LAA); Joule, Reggie (LAA); Kawasaki, Scott Jw (LAA); Keller, Wes (LAA); Kelly, Mike (LAA); Kerttula, Beth (LAA); Kookesh, Albert (LAA); Ledoux, Gabrielle R

(LAA); Lynn, Bob (LAA); McGuire, Lesil L (LAA); Meyer, Kevin G (LAA); Nelson, Mary (LAA); Neuman, Mark A (LAA); Olson, Donny (LAA); Olson, Kurt E (LAA); Ramras, Jay B (LAA); Roses, Bob (LAA); Salmon, Woodie W (LAA); Samuels, Ralph (LAA); Seaton, Paul (LAA); Stedman, Bert K (LAA); Stevens, Gary L (LAA); Stoltze, Bill (LAA); Therriault, Gene (LAA); Thomas, Bill (LAA); Thomas, Joe (LAA); Wagoner, Tom (LAA); Wielechowski, Bill (LAA); Wilken, Gary R (LAA); Wilson, Peggy A (LAA)

Attachments:20 AAC 25.100.pdf;Notice of Hearing Regulations.pdf;20 AAC 25.509.pdf;20 ACC 25.508.pdf;20 AAC 25.300.pdf;

Mary Jones
XTO Energy, Inc.
Cartography
810 Houston Street, Ste 2000
Ft. Worth, TX 76102-6298

George Vaught, Jr.
PO Box 13557
Denver, CO 80201-3557

John Levorsen
200 North 3rd Street, #1202
Boise, ID 83702

Baker Oil Tools
4730 Business Park Blvd., #44
Anchorage, AK 99503

Ivan Gillian
9649 Musket Bell Cr.#5
Anchorage, AK 99507

Jack Hakkila
PO Box 190083
Anchorage, AK 99519

Kenai National Wildlife Refuge
Refuge Manager
PO Box 2139
Soldotna, AK 99669-2139

Cliff Burglin
PO Box 70131
Fairbanks, AK 99707

Williams Thomas
Arctic Slope Regional Corporation
Land Department
PO Box 129
Barrow, AK 99723

David McCaleb
IHS Energy Group
GEPS
5333 Westheimer, Ste 100
Houston, TX 77056

Jerry Hodgden
Hodgden Oil Company
408 18th Street
Golden, CO 80401-2433

Michael Parks
Marple's Business Newsletter
117 West Mercer St, Ste 200
Seattle, WA 98119-3960

Schlumberger
Drilling and Measurements
2525 Gambell Street #400
Anchorage, AK 99503

Jill Schneider
US Geological Survey
4200 University Dr.
Anchorage, AK 99508

Darwin Waldsmith
PO Box 39309
Ninilchick, AK 99639

Penny Vadla
399 West Riverview Avenue
Soldotna, AK 99669-7714

Bernie Karl
K&K Recycling Inc.
PO Box 58055
Fairbanks, AK 99711

Cindi Walker
Tesoro Refining and Marketing Co.
Supply & Distribution
300 Concord Plaza Drive
San Antonio, TX 78216

Richard Neahrng
NRG Associates
President
PO Box 1655
Colorado Springs, CO 80901

Mark Wedman
Halliburton
6900 Arctic Blvd.
Anchorage, AK 99502

Ciri
Land Department
PO Box 93330
Anchorage, AK 99503

Gordon Severson
3201 Westmar Cr.
Anchorage, AK 99508-4336

James Gibbs
PO Box 1597
Soldotna, AK 99669

Richard Wagner
PO Box 60868
Fairbanks, AK 99706

North Slope Borough
PO Box 69
Barrow, AK 99723

Mailed 5.1.08

SERVICE LIST FOR PROPOSED AMENDMENTS TO 20 AAC 25.110

On April 22, 2008, the public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Annette Kreitzer
Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811

Legislative Reference Library
Legislative Affairs Agency
State Capitol
Juneau, AK 99801
Mail Stop: 3101

Senator Charlie Huggins, Chair
Senate Resources
State Capitol
Juneau, Alaska 99801

Representative Kurt Olson, Chair
House Oil & Gas Special Committee
State Capitol
Juneau, Alaska 99801

Senator Lesil McGuire, Chair
Administrative Regulation Review
State Capitol
Juneau, Alaska 99801

Senator John Cowdery, Chair
Legislative Council
State Capitol
Juneau, Alaska 99801

On April 22, 2008, the public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Debra Behr
Chief Assistant Attorney General
Legislation and Regulations Section
Department of Law
PO Box 110300
Juneau, AK 99811

#12

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Monday, January 07, 2008 9:33 AM
To: 'Dan Donkel'
Subject: RE: Third Notice, Additional Regulations Notice Information and Regulation of 1-3-08

Mr. Donkel:

In summary, these regulations cover requirements for inactive wells that have not been properly plugged and abandoned. (One example is exploratory wells that are expected to have future utility during the next exploratory season or the development of a discovery.) In our modifications, we are clarifying the wording in the existing regulations so that there is less likelihood to misinterpret – and therefore not follow – the intent of our requirements.

Jody Colombie
Special Assistant

From: Dan Donkel [mailto:ddonkel@cfl.rr.com]
Sent: Thursday, January 03, 2008 3:42 PM
To: Colombie, Jody J (DOA)
Subject: Re: Third Notice, Additional Regulations Notice Information and Regulation of 1-3-08

Dear AOGCC

Why are you doing this now ? What is the intent and what is the rational?

Daniel K. Donkel

----- Original Message -----

From: Colombie, Jody J (DOA)
Sent: Thursday, January 03, 2008 7:25 PM
Subject: Third Notice, Additional Regulations Notice Information and Regulation of 1-3-08

Colombie, Jody J (DOA)

From: Foerster, Catherine P (DOA)
Sent: Friday, January 04, 2008 3:17 PM
To: Seamount, Dan T (DOA); Norman, John K (DOA); Colombie, Jody J (DOA)
Subject: FW: Fourth Notice of Hearing, Additional Information, Proposed Regulation

fyi

From: Foerster, Catherine P (DOA)
Sent: Friday, January 04, 2008 3:17 PM
To: Wielechowski, Bill (LAA)
Subject: FW: Fourth Notice of Hearing, Additional Information, Proposed Regulation

Senator Wielechowski,
 I will be happy to answer any questions you or your staff have concerning the proposed regulation modifications. In summary, these regulations cover requirements for inactive wells that have not been properly plugged and abandoned. (One example is exploratory wells that are expected to have future utility during the next exploratory season or the development of a discovery.) In our modifications, we are clarifying the wording in the existing regulations so that there is less likelihood to misinterpret – and therefore not follow – the intent of our requirements. Please call me if you have further questions.

From: Colombie, Jody J (DOA)
Sent: Friday, January 04, 2008 3:08 PM
To: Foerster, Catherine P (DOA)
Subject: FW: Fourth Notice of Hearing, Additional Information, Proposed Regulation

From: Sen. Bill Wielechowski [mailto:Senator_Bill_Wielechowski@legis.state.ak.us]
Sent: Friday, January 04, 2008 2:15 PM
To: Colombie, Jody J (DOA)
Subject: RE: Fourth Notice of Hearing, Additional Information, Proposed Regulation

Jody,

Can you or someone briefly explain what this proposed regulation does. Thank you.

Bill Wielechowski

From: Colombie, Jody J (DOA) [jody.colombie@alaska.gov]
Sent: Friday, January 04, 2008 1:03 PM
Subject: Fourth Notice of Hearing, Additional Information, Proposed Regulation

I apologize for the inconvenience but the Third Notice that you received yesterday lacked the clarification statement for the proposed amendment.

Jody Colombie

Colombie, Jody J (DOA)

From: Kara Moriarty [moriarty@aoga.org]
Sent: Friday, December 28, 2007 11:29 AM
To: Colombie, Jody J (DOA)
Cc: crockett@aoga.org
Subject: Need Additional 30 days

Jody:

I've heard back from a few of our members and unfortunately, the same reason still applies – there are just too many that will be gone for extended holidays the first two weeks of January and we are not going to be able to get comments ready in the most appropriate format by Jan. 15 and do need the additional 30 days.

We appreciate your accommodation to this request – especially since it takes additional time for the paperwork/process to make this happen.

Kara

Kara Moriarty
Deputy Director
Alaska Oil and Gas Association
907-272-1481
Cell: 907-351-1116
moriarty@aoga.org

Alaska Oil & Gas Association Confidentiality Notice: This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this communication in error, please immediately notify sender by return e-mail and destroy the communication. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited.

Colombie, Jody J (DOA)

From: Kara Moriarty [moriarty@aoga.org]
Sent: Thursday, December 27, 2007 4:23 PM
To: Colombie, Jody J (DOA)
Subject: RE: aio2b-24 KRU

Jody:

I have not heard back yet from some of my group...which tells me they could be on vacation so I don't have a good answer for you to let you know if we'll be ready by the 15th with our written comments on the suspended well regulations. I will let you know for sure tomorrow – I'll give them another day to get back to me.

Kara

Kara Moriarty
Deputy Director
Alaska Oil and Gas Association
907-272-1481
Cell: 907-351-1116
moriarty@aoga.org

Alaska Oil & Gas Association Confidentiality Notice: This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this communication in error, please immediately notify sender by return e-mail and destroy the communication. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited.

From: Colombie, Jody J (DOA) [mailto:jody.colombie@alaska.gov]
Sent: Thursday, December 27, 2007 4:20 PM
Subject: aio2b-24 KRU

Colombie, Jody J (DOA)

From: Kara Moriarty [moriarty@aoga.org]
Sent: Thursday, December 20, 2007 4:02 PM
To: Colombie, Jody J (DOA)
Cc: crockett@aoga.org; sheffield@aoga.org
Subject: Request for 30-day extension

Jody:

As we discussed at the meeting today at the AOGCC office, AOGA is respectfully requesting an extension of the public comment period for another 30 days for the proposed suspended well regulations. The written comments are scheduled to be due on January 8, 2008, but with holiday and vacation schedules, it will be difficult for AOGA to submit full comments by that date.

We look forward to the granting of this extension.

If you have any questions or need further information, please do not hesitate to contact me.

Thanks, Kara

Kara Moriarty
Deputy Director
Alaska Oil and Gas Association
907-272-1481
Cell: 907-351-1116
moriarty@aoga.org

Alaska Oil & Gas Association Confidentiality Notice: This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this communication in error, please immediately notify sender by return e-mail and destroy the communication. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited.

*Forward Notice
To Alan.*

#11

**INTERNAL DOCUMENT DATED
AUGUST 27, 2008
HELD CONFIDENTIAL**

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under this section to approve the suspension of a well or to renew the approval of the suspension of a well. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

(1) the well

- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
- (D) will not impair the recovery of oil or gas;
- (E) is secure, safe, and not a threat to public health; and
- (F) is in compliance with all laws, regulations, permits, and orders; and

(2) the well

- (A) has future utility as an exploratory, development, or service well;
- (B) is a viable candidate for redrilling; or
- (C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). In addition to meeting the requirements of (a) of this section, the application must include the following:

- (1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (2) information on abnormally geo-pressured or depleted strata; and

(3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

The operator shall comply with 20 AAC 25.070.

(c) Unless the commission otherwise requires or approves a variance under 20 AAC 25.112(i), any well suspended under this section must be plugged in accordance with 20 AAC 25.112, except that the requirements of 20 AAC 25.112(d) do not apply if

(1) a wellhead is installed or the well is capped with a mechanical device to seal the opening; and

(2) a bridge plug capped with 50 feet of cement or a continuous cement plug extending 200 feet within the interior casing string is placed at or above 300 feet below the surface.

(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every calendar year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24-month period. For all inspections under this section, the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to

accompany the operator on the inspection tour. If convenient for the commission, shorter notice periods may be accepted.

(f) Within 30 days after any well-site inspection required under this section, including (e), (h), and (i) of this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include

(1) a description of the condition of the wellhead and surface location, including any discoloration, fluids(s) or sheen(s) visible on the ground or in any nearby water;

(2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;

(3) well pressure readings, where practicable;

(4) photographs clearly showing the condition of the wellhead and surrounding location;

and

(5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) meeting all requirements of (b) of this section. A renewal is not effective until approved by the commission. If a complete renewal application is submitted at least 60 days prior to the expiration of an existing suspension, then the existing suspension will continue until the commission acts on the application. Within 24 months prior to the submission of a request for suspension renewal, a well-site inspection must be completed.

(i) For wells suspended prior to January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal under (h) of this section must be submitted

- (1) no later than December 31, 2010 for all wells suspended prior to January 1, 2006; and
- (2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if the operator learns that there is a reasonable risk that a suspended well is (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; (5) a threat to public health or not secure or safe; or (6) not in compliance with all provisions of AS 31.05, 20 AAC 25, and any order, stipulation, or permit issued by the commission. Within 5 working days after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(l) At any time, the commission may request that an operator provide (within 10 days of the request) any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that there is insufficient information to support allowing the well to remain suspended, the commission may take action under 20 AAC 25.540, including

- (1) revoking the well's suspended status, effective as of the date determined by the commission, and
- (2) prescribing actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment under 20 AAC 25, a

separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

(m) Upon written request of the operator, any deadlines in this section may be amended by the commission upon a showing of good cause. (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

20 AAC 25.300 is repealed and readopted to read:

20 AAC 25.300. Requests for information. Notwithstanding any other provision of this chapter, if the commission requests that a person provide information or documentation regarding a matter within the commission's jurisdiction, that person must provide that information within 30 days of the date the request was sent or within another period of time specified by the commission. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; am __/__/__, Register __)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

SUSPENDED WELLS REGULATIONS – RESPONSE TO COMMENTS¹

Proposed Subsec. ²	Alaska Oil and Gas Association (“AOGA”)	ConocoPhillips Alaska, Inc. (“CPAI”)	Alaska Oil and Gas Conservation Commission (“Commission”) Response
(a)	<p>1. “If allowed under” should not be changed to “[u]nless abandonment is required.”</p> <p>2. Retain the criteria in 20 AAC 25.110(a): “the current regulations contain specific reasons and criteria for the Commission to use when granting suspended well status. The proposed changes lose clarity by removing those requirements and criteria and providing no guidance for the circumstances under which suspended well status may be granted.”</p> <p>a. AOGA is concerned with the phrases “health, safety and the environment” and “by ensuring, among other things.” Shorten (a)(1) to “the well.”</p>	<p>1. CPAI objects to the removal of the criteria for determining when a well should be suspended: “there needs to be clarifications of standards for when a well can be suspended.” Also, CPAI objects to making such determinations subject “to the commission’s satisfaction.”</p> <p>2. “If allowed under” should not be changed to “[u]nless abandonment is required.”</p> <p>3. CPAI “understands that the commission does not wish to be involved ‘paying quantities’ calculations, as the existing subsection 110(a) requires, but the commission is otherwise amenable to continuing to</p>	<p>AOGA (1) / CPAI (2) – The comments are adopted.</p> <p>AOGA (2) / CPAI (1), (3) – Criteria identifying when suspension is appropriate are adopted. In response to the Commission’s question whether AOGA considered the replacement of “will” with “may” in the existing regulations, AOGA responded: “our main concern was . . . that there be some basis of criteria in the regulation that the Commission would base the suspension upon.” The phrase “to the commission’s satisfaction” is retained to make clear that a determination that any criterion is not met receives the highest level of deference. Also, retaining the phrase is consistent with the existing regulations, which provide that “the commission will . . . approve the suspension of a well if . . . the operator justifies to the commission’s satisfaction why the well should not be abandoned, and, if the well is not completed, why the well should not be</p>

¹ On January 7, 2008, proposed revisions to 20 AAC 25.110 were publicly noticed. A hearing was held on February 28, 2008. The proposed revisions were amended, and the amended proposed revisions were publicly noticed on April 30, 2008, and the subject of a public hearing on June 17, 2008. (The February 2008 comments are identified by numbers; the June 2008 comments are identified by letters.) Although responses to the February 2008 comments are included, to the extent the February 2008 comments were not included in the June 2008 comments, the Commission understands that they were addressed in the amended proposed revisions or dropped; those comments, therefore, are deemed withdrawn.

² The subsections without brackets are the June 17, 2008, proposed revisions. The brackets indicate the corresponding February 27, 2008, subsections.

		<p>have standards for suspension of a well.”</p> <p>a. Replace “among other things” with “subject to all other requirements of AS 31.05.”</p>	<p>completed” The “paying quantities” criterion was deleted because this issue is decided by the Alaska Department of Natural Resources, not the Commission, and the proposed regulations include 20 AAC 25.110(a)(2)(A) (stating “has future utility as an exploratory, development, or service well”).</p> <p>AOGA (a) / CPAI (a) – Subsections (a), (g), and (l) identify when suspension is appropriate; subsections (b) and (h)-(i) identify the circumstances under which suspension will be approved; subsection (c) identifies the requirements for suspending a well; and subsections (d)-(f) and (j)-(l) identify the ongoing requirements for a well to remain in suspended status. Also, the requirement that a suspended well be “safe” and not pose a “threat to public health” is now a separate criterion consistent with AS 31.05.030(e)(1) (providing that the “commission may regulate . . . to the extent not in conflict with regulation by the Department of Labor and Workforce Development and the Department of Environmental Conservation, for public health and safety purposes”).</p>
(b)	<p>1. Delete the reference to 20 AAC 25.507(b), and include specific language, such as that in 20 AAC 25.105(b)(2) because a “decision to suspend a well may not necessarily be a change to an approved program, such as referenced in 20 AAC 25.507(b).”</p>	None	<p>AOGA (1) – Unless, prior to suspension, an operator is violating legal requirements, a non-suspended well is part of an approved program or activity with respect to which suspending the well will be a substantive change. Regardless, the reference to 20 AAC 25.507(b) makes clear that operators may request oral approval to commence operations to suspend a well by satisfying the 20 AAC 25.507(b)</p>

	a. Change “[t]he application must include all information and documentation relating to whether suspension is appropriate under (a) of this section and must specifically include the following” to “[i]n addition to meeting the requirements of (a) of this section, the application must include.”		requirements. Also, adding the suggested language is contrary to the Commission’s interest in using cross-references to make the regulations more uniform and concise. AOGA (a) – The comment is adopted.
(c)	1. The reference to 20 AAC 25.112(c)(1) “should be broadened to account for uncased sections of the well bore, such as the requirements of 20 AAC 25.112, minus the provision of subsection (d).” a. Add the phrase “unless otherwise authorized by the commission.” b. Delete the reference to 20 AAC 25.070.	1. The reference to 20 AAC 25.112(c)(1) should be changed to 20 AAC 25.112(c).	AOGA (1) / CPAI (1) – The reference to 20 AAC 25.112(c)(1) is broadened to 20 AAC 25.112; exceptions to 20 AAC 25.112(d) are included, and the applicability of 20 AAC 25.112(i) is expressly noted. AOGA (a) – The phrase “unless the commission otherwise requires or approves a variance under 20 AAC 25.112(i)” is added. AOGA (b) – The comment is adopted.
(d)	None	None	
(e)/[(f) – (g)]	1. “The requirement for a suspended well inspection within 12 months could result in the Commission being called to sites multiple times in the first year to witness setting and verifying plugs, site	1. “CPAI suggests that 48 hours notice should suffice for inspection of a suspended wellbore located on a pad or platform with active producing or service wells.”	AOGA (1)-(2) – Only one suspension-related well-site inspection is required during the first year after a well is suspended. The 12-month period for subsequent inspections is changed to 24 months prior to September 30 of every year ending in 0 or 5. Also,

<p>clearance and to satisfy this requirement.” Require that subsequent inspections occur within 12 months prior to or after January 1 of every year ending in 0 or 5.</p> <p>2. So that wells suspended in 2008 or 2009 do not require a subsequent inspection in 2010, AOGA “recommend[s] that the first cycle of five year inspections . . . begin in 2015.”</p> <p>3. For wells suspended before January 2005, AOGA recommends a 2-year initial inspection and reapplication period. “Most sites are best visited during summer months. Depending upon when the regulations become effective, the planning and logistics required may be difficult during the first year.”</p> <p>4. Add “a provision for an alternative schedule as authorized by the commission.”</p> <p>5. “There is no recognition of possible offshore suspended wells (25.105(c)).”</p> <p>6. Only 48-hours notice should be required: the 10-day notice</p>	<p>2. “CPAI supports the commission’s proposal to add . . . proposed new subsection (g) as long as the proposed suspended well standards are included in subsection (a).”</p>	<p>an exception is added: a subsequent inspection is not required if the initial inspection occurred within the prior 24-month period. Under subsection (e), wells suspended between January 1, 2009, and September 29, 2013, must be inspected twice before September 30, 2015; wells suspended between September 30, 2013, and September 29, 2015, must be inspected once in that period. Under subsections (e) and (i), wells suspended before January 1, 2006, must be inspected twice before September 30, 2015; wells suspended on or after January 1, 2006, but before January 1, 2009, must be inspected two or three times before September 30, 2015, depending on when the operator elects to submit a suspension renewal application. There was no response to the observation that “one overall factor that the Commission . . . is required to consider in changing or promulgating new regulations is cost of compliance . . . [A]s you go through the testimony . . . when you use the terms less efficient, multiple visits, et cetera, if you intend to say and this will increase the cost then it would be helpful to have you specifically indicate so we can determine if we are, in fact, imposing greater costs on operators”</p> <p>AOGA (3) – There is a 21-month period (covering two summers) for the initial inspection of wells suspended before January 2009. Under subsection (i), a suspension renewal application must be submitted within 2 years after January 1, 2009, for wells suspended before January 2006, and within 7</p>
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<p>7. Provide flexibility in inspections to allow for unpredictable conditions.</p>	<p>“requirement could hamper efficient planning of field activities and reduce flexibility to take advantage of opportunities to combine the inspection visits with other work;” a 48-hour requirement “would be consistent with the proposed Safety Valve System regulations;” and work planned 10 days ahead “could be potentially postponed due to weather . . . or work and equipment may be diverted to other high priority work and therefore we’d lose opportunity to do the work planned 10 days earlier.”</p>	<p>years for wells suspended between 2006 and 2009.</p> <p>AOGA (4)-(7) / CPAI (1) – Subsection (m) provides that, upon written request by the operator, any 20 AAC 25.110 deadline may be amended upon a showing of good cause. AOGA does not explain why the absence of an express “recognition” of possible offshore suspended wells is significant; nor is the Commission aware of why the proposed revisions are impractical with respect to such wells.</p> <p>AOGA (6)-(7) / CPAI (1) – A default, 10-day notice requirement is necessary given the substantial competing demands on the Commission’s few field inspectors. Shorter notice periods may be accepted if the timing of the proposed inspection is convenient for the Commission. Inspections can be postponed because of weather or other events. As Mr. Harry Engel testified on behalf of AOGA at the June 2008 hearing: “My experience is that the Commission Staff in the filed have been very flexible in being able to meet notices like that [<i>i.e.</i>, 48-hour or 72-hour notices,] and if they couldn’t they would ask if there could be other arrangements made to accommodate an inspection at a different time . . . to meet their schedule, so there is flexibility on the Commission’s Staff.”</p> <p>CPAI (2) – See the responses to AOGA (2) / CPAI (1), (3); and to AOGA (a)-(b) / CPAI (a).</p>
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(f)/[(h)]	None	None	
(g)/[(e)]	<p>1. Delete the phrase “or until the reason for granting the suspension is no longer valid, whichever is earlier,” and add a notice provision: “Upon notification from the Commission that one or more of the reasons for suspension may no longer be valid the operator has 60 days to present a plan to address the Commission’s concerns.” “It is important to be able to clearly identify when, for purposes of enforcement, the Commission considers a reason to be no longer valid such as notice from the Commission. Without clear identification of when a reason is no longer valid operators risk being out of compliance with the regulation . . . even if they might otherwise have reasonable bases to think that the reason for suspension is still valid. This proposed regulation would also result in an immediate violation without an opportunity to for the operator to provide information to the Commission to demonstrate that such reason for suspension is still valid.” “[O]ur fear is if you don’t adopt our suggested language and the criteria for suspension isn’t put back in . . . the operator may</p>	<p>1. Delete “until the reasons for granting the suspension are no longer valid.” Include a provision requiring updated information, and condition suspension revocation on the Commission’s review of new information and notice and hearing. CPAI “suggests that the wording be changed in the proposed regulations to provide that a suspension . . . will be valid for 10 years unless terminated sooner due to change in conditions as provided in” CPAI’s proposed subsection (j); “[f]ollowed by a provision requiring updates to be filed if the operator becomes aware of changes, and this is the new subsection (i) in ConocoPhillips’ submittal, and a provision providing for Commission review of new information to determine if the suspension should be terminated after notice and after a hearing.” CPAI “suggests that the proposed language be clarified to provide the operators notify the Commission if the operator knows of changes or new information[,] and if the Commission receives new information on a suspended well at any time then the Commission may, after notice and an opportunity to be heard,</p>	<p>AOGA (1) / CPAI (1) – The phrase “[o]r until the reason for granting the suspension is no longer valid” is deleted. Subsection (a) identifies criteria for when suspending a well and continuing suspension are appropriate. Subsections (j)-(l) require updated information: e.g., under subsection (j), an operator must provide notification and propose action upon learning of a reasonable risk that any subsection (a)(1) criterion is no longer met. Subsection (l) provides for suspension termination and action, which may include plugging and abandonment, but only (i) if the operator does not comply with an information request or insufficient information supports continuing suspension, and (ii) after notice and hearing (under 20 AAC 25.540).</p>

	not know what the Commission based . . . the reason for suspension on.”	order a suspension terminated and require that the well be plugged and abandoned.”	
(h)/[(e)]	<p>1. “A provision should be added to allow continued suspended well status until there is action by the commission on the reapplication.”</p> <p>a. “In the absence of a time period by which the commission shall act upon a submitted renewal request, a provision should be added to allow continued suspended well status until there is action by the commission on the renewal application.”</p>	None	<p>AOGA (1) – If a complete renewal application is submitted 60 days before a suspension expires, then the suspension will continue until the Commission acts on the application.</p>
(i)	None	None	
(j)	<p>a. Delete the phrase “the environment.”</p> <p>b. Provide for the report’s submission within 5 working days.</p>	1. See subsection (g).	<p>AOGA (a) – The comment is adopted. The criteria triggering the notification requirement track subsection (a)(1).</p> <p>AOGA (b) – The comment is adopted.</p> <p>CPAI (1) – See subsection (g).</p>
(k)	None	<p>1. See subsection (g).</p> <p>a. “For clarification, CPAI suggests that at the end of this regulation section, the words ‘as necessary’ be added. Not</p>	<p>CPAI (1) – See subsection (g).</p> <p>CPAI (a) – Because the operator must propose “appropriate” action, including “as necessary” would not add clarity: if no action is necessary, proposing</p>

		<p>every situation where there is a change in status of a well giving rise to the requirement to provide updated information to the Commission will require that any action be taken.”</p>	<p>“no action” would be appropriate.</p>
<p>(l)/(i)</p>	<p>1. The subsection unnecessarily duplicates existing regulations, including 20 AAC 25.535 and 20 AAC 25.539.</p> <p>2. The subsection “lacks important due process safeguards.”</p> <p>3. The reference to “criterion” is vague and should be replaced with “requirement;” and “[w]ho will make this determination and when” is unclear.</p> <p>a. Some situations where the subsection would apply “appear to be already covered by other existing or proposed regulations,” including 20 AAC 25.110(b), 20 AAC 25.535, 20 AAC 25.539, and 20 AAC 25.540.</p> <p>b. The introduction “is ambiguous and should be rewritten to provide clarity regarding the situations that may cause the AOGCC to take action.”</p>	<p>1. The subsection is vague. For example, “criterion” and “cease to be satisfied” are uncertain. CPAI suggests that operators be required to notify the Commission of new information. CPAI also suggests that “if the commission receives new information on a suspended well at any time, then the commission may, after notice and an opportunity to be heard, order a suspension terminated and require the well to be plugged and abandoned.” The Commission should “provide a notice and hearing if the status of a well is changed from suspended status to . . . requiring a P&A.”</p> <p>2. See subsection (g).</p> <p>a. Add the following introductory phrase: “Upon receipt of an application for suspension or renewal of suspension, or upon receipt of new or updated information regarding a suspended well, . . .” CPAI asserts that, “[w]ithout such</p>	<p>AOGA (1), (a) – Subsection (l) is not duplicative of 20 AAC 25.535, 20 AAC 25.539, or 20 AAC 25.110(b). 20 AAC 25.535 concerns the response to violations of AS 31.05, 20 AAC 25, and Commission orders, permits, or other approvals. 20 AAC 25.539 concerns temporary emergency orders to protect against immediate harm to public health or safety. 20 AAC 25.110(b) concerns information and documentation that must be provided for approval to suspend a well. Subsection (l) is not concerned with enforcement, temporary emergency action, or suspension approval, but the requests for information regarding whether suspension remains appropriate and action where insufficient information supports continuing suspension. 20 AAC 25.540 is a general provision concerning public notices, opportunities to comment, and hearings. Although without subsection (l), the Commission could, under 20 AAC 25.540, take the action provided for in the subsection, the subsection is not unnecessarily duplicative because it expressly identifies when the Commission may act and what action it may take under 20 AAC 25.540.</p> <p>AOGA (2) – The comment is adopted. Except for</p>

		<p>a phrase, the regulation would appear to allow the Commission to determine to reverse prior final decisions without any change in the information currently on record at the Commission.”</p>	<p>requests for information, action under subsection (l) is subject to 20 AAC 25.540, requiring public notice and an opportunity for comment and hearing. Therefore, subsection (l) includes adequate due process safeguards.</p> <p>AOGA (3) / CPAI (1), (a) – The comments are essentially adopted; but subsection (l) is not limited to requests for, and action based on the receipt of, only “new or updated” information, but any information bearing on whether a well should remain suspended. If information supports a finding that a well should not remain suspended, the Commission should act on that information regardless of when the Commission received it.</p> <p>AOGA (b) – The comment is adopted. The Commission may take action if the operator does not comply with an information request or the Commission determines that there is insufficient information to support continued suspension.</p> <p>CPAI (1) – See subsection (g).</p> <p>CPAI (a) – The Commission disagrees with the comment. No reason is given for not acting on information that a well should not remain suspended (<i>e.g.</i>, because a reasonable risk exists that a suspended well is a damaging freshwater or producing or potentially producing formations) based on when the information was received. Also, given</p>
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			that Commission action under subsection (l)(1)-(2) is subject to 20 AAC 25.540, an operator can present such reasons, if any, in its comments and at the hearing.
(m)	Subsection (m) was proposed at the June 17, 2008, hearing in response to AOGA and CPAI comments seeking greater flexibility with respect to deadlines. No comments on the subsection were received at the hearing or between the hearing and June 25, 2008, when the public comment period closed.		
Confidentiality	1. AOGA “strongly suggests that information concerning the completion of a well or considered a trade secret continue to have that protection.”	1. Retain “the provisions of existing subsection (c) regarding confidential protection of information qualifying under 20 AAC 25.071(b) and AS 45.50.940.” The regulations should “allow[] flexibility to keep well information confidential upon request.” CPAI “requests that the language providing for certain information about the basis for the request of suspension be held confidential, be retained in the new regulations.”	AOGA (1) / CPAI (1) – A confidentiality provision specific to 20 AAC 25.110 is unnecessary; nor does the existing provision add anything that is not covered by 20 AAC 25.537 and the Alaska Constitution, AS 31.05.035, or AS 45.50.940. The comments do not explain why this is not the case.
Admin. approval	1. AOGA “suggest[s] adding an administrative approval section to allow the commission to deal with special situations.”	None	AOGA (1) – Subsection (c) incorporates the variance provision of 20 AAC 25.112(i); except for requests for information, action under subsection (l) is subject to 20 AAC 25.540, requiring public notice and an opportunity for comment and hearing; and under subsection (m), 20 AAC 25.110 deadlines may be amended upon a written request and a showing of good cause. No other way in which an “administrative approval” provision is needed has

Date: 8-27-08

			been identified.
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Latest version of staff recommendations.

For consideration at July 30, 2008 AOGCC Monthly Public Meeting.

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under this section to approve the suspension of a well or to renew the approval of the suspension of a well. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

(1) the well

- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
- (D) will not impair the recovery of oil or gas;
- (E) is secure, safe, and not a threat to public health; and
- (F) is in compliance with all provisions of AS 31.05, 20 AAC 25, and any order, stipulation or permit issued by the commission; and

(2) the well

- (A) has future utility as an exploratory, development, or service well;
- (B) is a viable candidate for redrilling; or
- (C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). In addition to meeting the requirements of (a) of this section, the application must include the following:

- (1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (2) information on abnormally geo-pressured or depleted strata; and
- (3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

Latest version of staff recommendations.

For consideration at July 30, 2008 AOGCC Monthly Public Meeting.

(c) Unless the commission otherwise requires or approves a variance under 20 AAC.112(i), any well suspended under this section must be plugged in accordance with 20 AAC 25.112, except that the requirements of 20 AAC 25.112(d) do not apply if

(1) a wellhead is installed or the well is capped with a mechanical device to seal the opening; and

(2) a bridge plug capped with 50 feet of cement or a continuous cement plug extending 200 feet within the interior casing string is placed at or above 300 feet below the surface.

(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every calendar year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24-month period. For all inspections under this subsection (e), the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to accompany the operator on the inspection tour. Shorter notice periods may be accepted by the commission if the timing of the proposed inspection tour is convenient with commission inspector work schedules.

(f) Within 30 days after any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include

(1) a description of the condition of the wellhead and surface location, including any discoloration, fluids(s) or sheen(s) visible on the ground or in any nearby water;

Latest version of staff recommendations.

For consideration at July 30, 2008 AOGCC Monthly Public Meeting.

(2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;

(3) well pressure readings, where practicable;

(4) photographs clearly showing the condition of the wellhead and surrounding location; and

(5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) containing all information and documentation required by (b) of this section. A renewal is not effective until approved by the commission. If a complete renewal application is submitted at least 60 days prior to the expiration of an existing suspension, then the existing suspension will continue until the commission acts on the application. Within 24 months prior to the submission of a request for suspension renewal, a well-site inspection must be completed and, within 30 days after that well-site inspection, a Report of Sundry Well Operations (Form 10-404), including all information and documentation required under (f) of this section, must be filed with the commission.

(i) For wells suspended prior to January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal must be submitted

(1) no later than December 31, 2010 for all wells suspended prior to January 1, 2006; and

(2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if the operator learns that there is a reasonable risk that a suspended well is (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; or (5) a threat to public health or not secure or safe. Within 5 working days after notifying the commission, the

Latest version of staff recommendations.

For consideration at July 30, 2008 AOGCC Monthly Public Meeting.

operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(l) At any time, the commission may request that an operator provide (within 10 days of the request) any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that there is insufficient information to support allowing the well to remain suspended, the commission may take action under 20 AAC 25.540, including

(1) revoking the well's suspended status, effective as of the date determined by the commission, and

(2) prescribing actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment, a separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

(m) Upon written request of the operator, any deadlines in this section may be amended by the commission upon a showing of good cause.

History: (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

9

STATE OF ALASKA

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AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF
ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814050

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F R O M	AOGCC 333 W 7th Ave, Ste 100 Anchorage, AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793-1221	DATE OF A.O. April 30, 2008 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	DATES ADVERTISEMENT REQUIRED: May 1, 2008	THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.
		SPECIAL INSTRUCTIONS: Advertisement to be published was e-mailed	

Type of Advertisement Legal Display Classified Other (Specify)

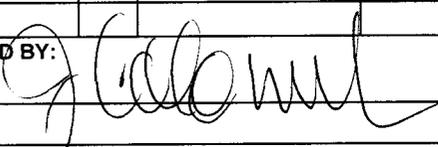
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AFFIDAVIT OF PUBLICATION

United states of America

State of _____ ss
_____ division.

Before me, the undersigned, a notary public this day personally appeared _____ who, being first duly sworn, according to law, says that he/she is the _____ of _____
Published at _____ in said division _____ and state of _____ and that the advertisement, of which the annexed is a true copy, was published in said publication on the _____ day of _____ 2008, and thereafter for _____ consecutive days, the last publication appearing on the _____ day of _____, 2008, and that the rate charged thereon is not in excess of the rate charged private individuals.

Subscribed and sworn to before me

This ____ day of _____ 2008,

Notary public for state of _____
My commission expires _____

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ATTACH PROOF OF PUBLICATION HERE.

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Thursday, May 01, 2008 9:38 AM
Subject: AOGCC Proposed Regulation Change
Attachments: 20 AAC 25.110.pdf

BCC:Birnbaum, Alan J (LAW); Crisp, John H (DOA); Davies, Stephen F (DOA); Fleckenstein, Robert J (DOA); Foerster, Catherine P (DOA); Grimaldi, Louis R (DOA); Johnson, Elaine M (DOA); Jones, Jeffery B (DOA); Laasch, Linda K (DOA); Mahnken, Christine R (DOA); Maunder, Thomas E (DOA); McIver, C (DOA); McMains, Stephen E (DOA); Noble, Robert C (DOA); Norman, John K (DOA); Okland, Howard D (DOA); Paladijczuk, Tracie L (DOA); Pasqual, Maria (DOA); Regg, James B (DOA); Roby, David S (DOA); Saltmarsh, Arthur C (DOA); Scheve, Charles M (DOA); Seamount, Dan T (DOA); Smith, Chasity R (DOA); Williamson, Mary J (DOA); David Johnson; 'Kara, Danny T'; 'Leslie Adams'; Randy Hicks; 'Aleutians East Borough'; 'Anna Raff'; Arion, Teri A (DNR); 'Arthur Copoulos'; 'Barbara F Fullmer'; 'bbritch'; 'Bill Walker'; 'Brad McKim'; 'Brandon Gagnon'; 'Brian Gillespie'; 'Brian Havelock'; 'Brit Lively'; 'Bruce Webb'; 'buonoje'; 'Cammy Taylor'; 'Cande.Brandow'; 'carol smyth'; 'Cary Carrigan'; caunderwood@marathonoil.com; 'Charles O'Donnell'; 'Chris Gay'; 'Christian Gou-Leonhardt'; 'Cliff Posey'; 'Dan Bross'; 'dapa'; 'Daryl J. Kleppin'; 'David Brown'; 'David Hall'; David House; 'David L Boelens'; 'David Steingreaber'; 'ddonkel'; 'Deanna Gamble'; 'Deborah J. Jones'; 'doug_schultze'; 'Eric Lidji'; 'Evan Harness'; 'eyancy'; 'foms2@mtaonline.net'; 'Francis S. Sommer'; 'Fred Steece'; 'Garland Robinson'; 'Gary Laughlin'; 'Gary Rogers'; 'Gary Schultz'; 'ghammons'; 'Gordon Pospisil'; Gould, Greg M (DEC); 'Gregg Nady'; 'gregory micallef'; 'gspfoff'; 'Hank Alford'; 'Harry Engel'; 'jah'; 'James Scherr'; 'Janet D. Platt'; 'jejones'; 'Jerry McCutcheon'; 'Jim Arlington'; 'Jim White'; 'Jim Winegarner'; 'Joe Nicks'; 'John Garing'; 'John S. Haworth'; 'John Spain'; 'John Tower'; 'John W Katz'; johnny.aiken@north-slope.org; 'Jon Goltz'; 'Julie Houle'; 'Kari Moriarty'; 'Kaynell Zeman'; 'Keith Wiles'; knelson@petroleumnews.com; 'Krissell Crandall'; 'Kristin Dirks'; 'Laura Silliphant'; 'Lois'; 'Lynnda Kahn'; 'mail=akpratts@acsalaska.net'; 'mail=foms@mtaonline.net'; 'Marilyn Crockett'; 'Mark Dalton'; 'Mark Hanley'; 'Mark Kovac'; 'Mark P. Worcester'; 'Marquerite kremer'; 'marty'; 'Matt Rader'; 'Meghan Powell'; 'Mike Bill'; 'Mike Mason'; 'Mikel Schultz'; 'Mindy Lewis'; 'MJ Loveland'; 'mjnelson'; 'mkm7200'; 'Nick W. Glover'; NSK Problem Well Supy; NSU, ADW Well Integrity Engineer; 'Patty Alfaro'; 'Paul Decker'; 'Paul Winslow'; Pierce, Sandra M (DNR); 'Randall Kanady'; 'Randy L. Skillern'; 'rcrotty'; Rice, Cody J (DNR); 'rmclean'; 'Rob McWhorter'; rob.g.dragnich@exxonmobil.com; 'Robert Campbell'; 'Robert Fowler'; 'Robert Province'; 'Roger Belman'; 'Rudy Brueggeman'; 'Scott Cranswick'; 'Shannon Donnelly'; 'Sharmaine Copeland'; 'Sondra Stewman'; 'Sonja Frankllin'; 'Stan Porhola'; 'stanekj'; 'Steve Lambert'; 'Steve Moothart'; 'Steven R. Rossberg'; 'tablerk'; 'Tamera Sheffield'; 'Temple Davidson'; 'Terrie Hubble'; 'Tim Lawlor'; 'Todd Durkee'; Tony Hopfinger; 'trmjrl'; 'Walter Featherly'; 'Walter Quay'; 'Wayne Rancier'; 'Dale Hoffman'; Fridiric Grenier; Joseph Longo; Maurizio Grandi; Tom Gennings; Buch, Bob (LAA); Bunde, Con (LAA); Chenault, Mike (LAA); Cissna, Sharon (LAA); Coghill, John (LAA); Cowdery, John (LAA); Crawford, Harry (LAA); Dahlstrom, Nancy (LAA); Davis, Bettye J (LAA); Doll, Andrea (LAA); Doogan, Mike (LAA); Dyson, Fred (LAA); Edgmon, Bryce E (LAA); Ellis, Johnny (LAA); Elton, Kim S (LAA); Fairclough, Anna (LAA); 'Foster, Richard'; French, Hollis (LAA); Gara, Les (LAA); Gardner, Berta (LAA); Gatto, Carl (LAA); Green, Lyda N (LAA); Gruenberg, Max F (LAA); Guttenberg, David (LAA); Harris, John (LAA); Hawker, Mike (LAA); Hoffmann, Lyman F (LAA); Holmes, Lindsey (LAA); Huggins, Charlie (LAA); Johansen, Kyle B (LAA); Johnson, Craig W (LAA); Joule, Reggie (LAA); Kawasaki, Scott Jw (LAA); Keller, Wes (LAA); Kelly, Mike (LAA); Kerttula, Beth (LAA); Kookesh, Albert (LAA); Ledoux, Gabrielle R (LAA); Lynn, Bob (LAA); McGuire, Lesil L (LAA); Meyer, Kevin G (LAA); Nelson, Mary (LAA);

Neuman, Mark A (LAA); Olson, Donny (LAA); Olson, Kurt E (LAA); Ramras, Jay B (LAA); Roses, Bob (LAA); Salmon, Woodie W (LAA); Samuels, Ralph (LAA); Seaton, Paul (LAA); Stedman, Bert K (LAA); Stevens, Gary L (LAA); Stoltze, Bill (LAA); Therriault, Gene (LAA); Thomas, Bill (LAA); Thomas, Joe (LAA); Wagoner, Tom (LAA); Wielechowski, Bill (LAA); Wilken, Gary R (LAA); Wilson, Peggy A (LAA)

Attachments:20 AAC 25.110.pdf;

The previous sent document labeled 20 AAC 25.100 should have been labeled **20 AAC 25.110**. See attached.

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for approval to ~~suspend~~ a well or renewal of suspension approval. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

Deleted: the suspension of

(1) the well

Deleted: health, safety and the environment are protected by ensuring, among other things, that

- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
- (D) will not impair the recovery of oil or gas; and
- (E) is secure, ~~safe, and not a threat to public health;~~ and

(2) the well

Deleted: a producer

- (A) has future utility as ~~an exploratory, development, or service well;~~
- (B) is a viable candidate for redrilling; or
- (C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). The application must include all information and documentation relating to whether suspension is appropriate under (a) of this section and must specifically include the following:

- (1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (2) information on abnormally geo-pressured or depleted strata; and
- (3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

(c) ~~Unless otherwise required by the commission, any well suspended under this section must be plugged in accordance with 20 AAC 25.112(a)-(c) and (e)-(i). Upon written request of the operator, the commission may approve a variance of this subsection if the variance provides at least equally effective means of suspending the well under this subsection.~~

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Deleted: unless otherwise authorized by the commission, and the operator must comply with 20 AAC 25.070.¶

(d) ~~The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.~~

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every calendar year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24-month period. For all inspections under this subsection (e), the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to accompany the operator on the inspection tour.

(f) Within 30 days after any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include

- (1) a description of the condition of the wellhead and surface location, including any discoloration, fluids(s) or sheen(s) visible on the ground or in any nearby water;
- (2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;
- (3) well pressure readings, where practicable;

(4) photographs clearly showing the condition of the wellhead and surrounding location;

and

(5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

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(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) containing all information and documentation required by (b) of this section. A renewal is not effective until approved by the commission. Within 24 months prior to the submission of a request for suspension renewal, a well-site inspection must be completed and, within 30 days after that well-site inspection, a Report of Sundry Well Operations (Form 10-404), including all information and documentation required under (f) of this section, must be filed with the commission.

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(i) For wells suspended prior to January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal must be submitted

(1) no later than December 31, 2010 for all wells suspended prior to January 1, 2006; and

(2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if, the operator learns that a suspended well is suspected to be: (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; or (5) a threat to public health or not secure or safe. Within 5 days after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

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(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

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(l) At any time the commission may request an operator to provide (within 10 days of the request) any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that the information in the commission's files is insufficient to support allowing the well to remain suspended, the commission may take action under 20 AAC 25.540, including,

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Deleted: If the commission lacks sufficient information to determine whether suspension is or remains appropriate for a well under (a) of this section, if suspension is no longer appropriate for a well under (a) of this section, including because plugging and abandonment is required under 20 AAC 25.105, or if, with respect to the well, the operator violated a requirement of, or order issued under, AS 31.05 or this chapter, the commission may

(1) revoking the well's suspended status, effective as of the date determined by the commission, and
(2) prescribing actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment, a separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

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(1) issue a notice identifying, or approve an Application for Sundry Approvals (Form 10-403) committing to, actions necessary to maintain the well's suspended status, or
(2) after a notice and hearing, issue an order that either or both

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(m) Upon written request of the operator, any deadlines under this section may be amended by the commission upon a showing of good cause.

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History: (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

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ALASKA OIL AND GAS CONSERVATION COMMISSION

Before Commissioners: Daniel T. Seamount, Chairman
John K. Norman
Cathy Foerster

In the Matter of Proposed Changes)
to Title 20, Chapter 25 of the)
Alaska Administrative Code,)
pursuant to Sections 20 AAC 25.110)
25.300, 25.508 and 25.509)
_____)

ALASKA OIL and GAS CONSERVATION COMMISSION
Anchorage, Alaska

June 17, ~~2007~~ 2008
9:00 o'clock a.m.

VOLUME I
PUBLIC HEARING

BEFORE: Daniel T. Seamount, Chairman
John K. Norman, Commissioner

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1 It's the practice to swear witnesses and we will follow
2 that practice. If you intend to be testifying as an expert
3 witness, please, state the subject matter, what your
4 experiences are and what your discipline is that you would like
5 to be considered an expert witness as.

6 The Alaska Oil and Gas Conservation Commission proposes to
7 amend Title 20, Chapter 25, Section 110 of the Alaska
8 Administrative Code. That's dealing with suspended wells
9 including the following, the proposed regulation changes
10 referenced above clarify what is expected of operators with
11 respect to the surveillance, maintenance and reporting
12 requirements for suspended wells throughout the state.

13 Notice of this hearing was published in the Anchorage
14 Daily News on April 30th, 2008 and it's also been posted on the
15 State of Alaska on line services website, as well as AOGCC's
16 own website.

17 This hearing is being held in accordance with 20 AAC
18 25.540 of the Alaska Administrative Code. And I think I said
19 already the hearing will be recorded.

20 It looks like we've got representatives from the Alaska
21 Oil and Gas Association, the Department of Natural Revenue
22 (sic) and ConocoPhillips. And apparently we're going to have
23 three persons testifying.

24 Commissioner Norman, do you have any comments before
25 we.....

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1 COMMISSIONER NORMAN: I have nothing.

2 CHAIRMAN SEAMOUNT: On February 28th, 2008 there was a
3 hearing on the initial proposal for the regulation changes.
4 Today we'll be discussing the new proposal. Our own senior
5 reservoir engineer Jane Williamson will start off with the
6 testimony. And Ms. Williams (sic) would you please raise your
7 right hand and state who you are even though I've already
8 stated it.

9 MS. WILLIAMSON: I'm Jane Williamson. I'm a senior
10 reservoir engineer at the Commission.

11 CHAIRMAN SEAMOUNT: Hold it, excuse me, we have to do
12 this.

13 (Oath Administered)

14 MS. WILLIAMSON: I swear.

15 CHAIRMAN SEAMOUNT: Okay. Now, please state your name?

16 MS. WILLIAMSON: I'm Jane Williamson and I'm a senior
17 reservoir engineer here at the Commission. And I've had 30
18 years engineering experience in Alaska with six years here at
19 AOGCC. And did you want me to swear in as an expert?

20 CHAIRMAN SEAMOUNT: You're already sworn in. We're going
21 to decide whether you're an expert and I assume you are since
22 we hired you a couple of times.

23 Do you have any objections, Commissioner Norman?

24 COMMISSIONER NORMAN: I have no objection, but I am amazed
25 that such a young person could have 30 years experience.

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1 CHAIRMAN SEAMOUNT: So be it, I agree. Okay. Ms.
2 Williams (sic) you are designated as an expert witness in the
3 discipline of reservoir -- petroleum reservoir engineering.
4 Please proceed.

5 MS. WILLIAMSON: There are 137 wells designated suspended
6 with 50 being suspended for 15 or more years, 48 are
7 exploratory wells which are located in remote areas, not
8 visited regularly. After audit of information within our files
9 the Commission decided that new regulations were required to
10 set out criteria under which a well may be approved for
11 suspended status and setting out inspection and reporting
12 criteria to help ensure proper monitoring and integrity of each
13 suspended well and its surrounded -- surrounding location.

14 As Commissioner -- or Chair Seamount stated a Public
15 Hearing was held on February 28th to consider initial proposed
16 draft of the suspended well regulations. AOGA and
17 ConocoPhillips testified and provided detailed comments at the
18 hearing. It was decided by the Commission that further review
19 and redraft of the regulations were required in light of the
20 hearing testimony.

21 So this hearing will consider a proposed draft of the
22 suspended well regulations, 20 AAC 25.110 as noticed on April
23 30th, 2008. Additional regulation changes for 20 AAC 25.300
24 concerning request for information and new proposed regulations
25 20 AAC 25.508 and 20 AAC 25.509 concerning variances and

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1 waivers of requirements to regulations were also noticed.

2 The Commission's Senior Staff have had further discussions
3 with the regulated community, with the Department of Natural
4 Resources and a number of internal discussions and based upon
5 these discussions we have some recommendations concerning the
6 various variance and waiver sections and suggested edits and a
7 few substantive changes to the suspended well regulations
8 draft.

9 First we are recommending that our proposal for new
10 general regulations concerning variances and waivers, and that
11 is 20 AAC 25.508 and .509, be withdrawn from consideration at
12 this time. We are concerned that there may be potential
13 conflicts with 20 AAC 25.505 and other regulatory provisions
14 concerning notice requirements, so we need to review this in
15 more detail internally and with the AG's office.

16 Concerning the suspended well regulations I'd like to
17 enter into the record edits that we are proposing for clarity
18 and I will also point out a few items that are more substantive
19 in content. I believe you have copies on the side and hand out
20 copies. Did you hand out copies to everybody?

21 MS. COLUMBIA: I think so.

22 MS. WILLIAMSON: Okay.

23 CHAIRMAN SEAMOUNT: Ms. Colombie, are these -- this color
24 copy, does that show the new changes that are going to be
25 entered into the record?

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MS. COLOMBIE: Yes.

CHAIRMAN SEAMOUNT: Okay. Then, I don't know, how do we enter this into the record?

COMMISSIONER NORMAN: Well, we'll just at the request of Staff we will enter it into the record without objection. This is a revised draft and at the top it is red lined and marked 6/17/08.

CHAIRMAN SEAMOUNT: And I assume that this new proposed -- these new proposed regulations are on our website, too?

MS. COLOMBIE: They are not.

CHAIRMAN SEAMOUNT: They are not. Are they.....

MS. COLOMBIE: They were done yesterday.

CHAIRMAN SEAMOUNT: Huh?

MS. COLOMBIE: They were done yesterday.

CHAIRMAN SEAMOUNT: Are they going to be entered or put on the website?

MS. COLOMBIE: Yes.

CHAIRMAN SEAMOUNT: Okay, good, thank you.

MS. WILLIAMSON: As I said these were prepared by the Senior Staff after having discussions with AOGA and the Department of Natural Resources and this may or may not reflect exactly what AOGA will report to you, but we were trying to incorporate some of these items, so I'm going to point out just the more substantive comments.

First under Section (a) (1) and (a) (1) (E) we deleted the

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1 term health, safety and the environment as concerns were raised
2 about potential -- this potentially going outside of our
3 regulatory authority. And instead added (E) to the
4 requirements that the well be safe and not a threat to public
5 health and this more closely reflects our statutory
6 requirements.

7 Section (a) (2) we substituted the term producer with the
8 terms exploratory and development which coincide with the terms
9 in the statutes.

10 Going to page 2 subsection (c) the requirements for
11 plugging under 20 AAC 25.112(d) which regards plugging at the
12 surface of the well almost never applied to suspended wells and
13 so they are not included.

14 Also since we are withdrawing the proposed general
15 provision concerning variances we've added in the subsection a
16 specific allowance for the Commission to approve variances to
17 the -- this specific subsection if the proposed variance
18 provides equally effective means of suspending the wells and
19 that would also mean that it would need to apply back to (1) (a)
20 as far as our requirements for securing and safety and so
21 forth.

22 We had minor edits in Section (e), (f), (g), (h) and (k)
23 which I'm not going to go over.

24 On page 3 at the bottom subsection (j), again, the term
25 health, safety and environment were replaced and we've inserted

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1 language that more closely ties into the criteria within
2 subsection (a) (1).

3 Page 4 there were quite a few comments on subsection (l)
4 and it was felt that it wasn't very clear what we were wanting
5 so we streamlined this and substantially edited for clarity.

6 And finally in subsection (m) we added allowance to the
7 Commission to approve changes in some of the deadlines upon
8 showing of good cause, so we added this since the general
9 waiver (ph) provisions have been -- and we're requesting those
10 be withdrawn and that's it for suspended wells.

11 We'd also like the Commission to consider the proposed
12 language as noticed for 20 AAC 25.300 concerning requests for
13 the Commission to -- by the Commission for additional
14 information. We're not proposing any changes to this and we
15 have not had any additional requests for changes to this.

16 We suggest that the Commission leave the record open until
17 the regularly scheduled monthly Public Meeting on June 25th to
18 allow for comments on the proposed edits to the suspended well
19 regulations and any other comments that come out of this
20 hearing. And this concludes my testimony. Are there any
21 questions?

22 CHAIRMAN SEAMOUNT: Thank you, Ms. Williamson.
23 Commissioner Norman.

24 COMMISSIONER NORMAN: Ms. Williamson, again, the total
25 number of wells that we currently are showing as suspended

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1 wells in the State of Alaska?

2 MS. WILLIAMSON: Now, this was as of our last testimony in
3 January.....

4 COMMISSIONER NORMAN: More or less, I'm not looking
5 for.....

6 MS. WILLIAMSON: But more or less 140 wells are suspended.
7 About 50 of them are suspended for 15 or more years and about
8 50 are exploratory wells which are located in remote areas.

9 COMMISSIONER NORMAN: Do you happen to know what the
10 longest well that we're carrying suspended would be?

11 MS. WILLIAMSON: I would have to ask one.....

12 COMMISSIONER NORMAN: Sure, that -- it's not --.....

13 MS. WILLIAMSON:of the Senior Staff.....

14 COMMISSIONER NORMAN:it's not material to this. I
15 was just curious. And my last question is -- and, again, you
16 may not be ready to respond to this now, but I'm looking at 110
17 on page 1 under section (1) the well is (A), (B), (C), (D), (E)
18 and (E) reads, is secure, safe, and not a threat to public
19 health and safety was taken out.

20 And I'm looking right now and I'll just read slowly from
21 Alaska Statute 31.05.030(e), the Commission may regulate to the
22 extent not in conflict with Department of Labor or DEC for
23 public health and safety. So I'm just mentioning this as a
24 placeholder, but it would seem to me that safety would belong
25 there.

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1 MS. WILLIAMSON: Although we did put in (E) is secure,
2 safe and not a threat to public health.....

3 COMMISSIONER NORMAN: Ah, I see, I see, okay. Is secure,
4 safe and not a threat to public health. I see what you said
5 right there, okay, that takes care of it.

6 CHAIRMAN SEAMOUNT: Okay, thank you, Ms. Williamson for a
7 very good bit of testimony.

8 Okay. So moving along and abiding by the Alaska Statute
9 concerning first come first serve, we'll hear from the Alaska
10 Oil and Gas Association.

11 MS. MORIARTY: Good morning.

12 CHAIRMAN SEAMOUNT: I'll swear you both in at the same
13 time so, please, raise two right hands. Okay. Those are your
14 good right hands, okay.

15 (Oath Administered)

16 MR. ENGEL: Yes.

17 MS. MORIARTY: Yes, sir.

18 CHAIRMAN SEAMOUNT: And do you both wish to be considered
19 expert witnesses?

20 MS. MORIARTY: (Shakes head in the negative)

21 CHAIRMAN SEAMOUNT: Does one of you?

22 MR. ENGEL: Yes, I do.

23 CHAIRMAN SEAMOUNT: Okay. Please state your name, who you
24 represent, which discipline you'd like to be an expert witness
25 in and what your qualifications are.

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1 MR. ENGEL: Yes, Commissioner Seamount. Good morning,
2 Commissioner Norman. My name is Harry Engel and I'm an
3 engineering team leader with BP in our Alaska Drilling and
4 Wells organization. This morning I represent the Oil and Gas
5 Association as a member -- as chairman of the AOGCC (ph) task
6 group.

7 I have over 28 years of various experience in the oil and
8 gas industry including drilling and engineering, well site
9 leader roles and various other management roles within the oil
10 and gas industry. I have worked in most areas in Alaska. I
11 worked in the Rocky Mountains and several international
12 assignments. I hold degrees in Civil Engineering and
13 Environmental Engineering from New Mexico Tech.

14 CHAIRMAN SEAMOUNT: Any questions or objections,
15 Commissioner Norman?

16 COMMISSIONER NORMAN: No questions and no objections.

17 CHAIRMAN SEAMOUNT: Where did you work in the Rockies?

18 MR. ENGEL: From North Dakota to New Mexico and from
19 Nevada to Kansas.

20 CHAIRMAN SEAMOUNT: Out of which office?

21 MR. ENGEL: Denver, Grand Junction, Rock Springs, Riverton
22 Dome (ph), Casper, several others, Farmington (ph).

23 CHAIRMAN SEAMOUNT: Okay, I guess that counts.

24 MR. ENGEL: Yeah.

25 CHAIRMAN SEAMOUNT: You are so designated an expert

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1 witness.

2 MR. ENGEL: Thank you.

3 CHAIRMAN SEAMOUNT: Please proceed, Mr. Engel.

4 MR. ENGEL: Well, I think Deputy Director Kara Moriarty
5 will open up with some comments.

6 MS. MORIARTY: Thank you. For the record my name is
7 Kara -- good morning, my name is Kara Moriarty and I serve as
8 the Deputy Director for the Alaska Oil and Gas Association and
9 we appreciate the opportunity for AOGA to provide testimony
10 this morning.

11 As we stated in the hearing on February 28th we do support
12 the spirit and the intention of clarifying the regulations on
13 suspended well status. And we also very much appreciate the
14 consideration that the Commission has given our prior comments
15 in February and also for the continued willingness and
16 cooperation of AOGCC Staff in getting further clarification on
17 intentions to the proposed regulations.

18 We do have some specific comments that Mr. Engel will
19 review for you in the attached document. I will tell you that
20 this document was prepared prior to the changes that we saw
21 this morning from Ms. Williamson and so some of the sections no
22 longer apply because they -- the revised draft do take into
23 consideration our concerns so we will now only comment on three
24 sections and we will revise our hard copy prior to the new
25 deadline of June 25th to take into consideration these new

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1 changes. So, please, recognize that this was done -- these
2 comments were done at the end of last week after.

3 And so we will be commenting on Section (e), Section (j)
4 and Section (l) as well as two of the -- we will comment
5 briefly on two of the provisions that have been removed at the
6 end, .508 and .509, but with that unless you have any questions
7 I'll be happy to turn it over to Mr. Engel to walk through the
8 three sections we have concerns with.

9 COMMISSIONER NORMAN: Only one question for, perhaps, you
10 and Mr. Engel. I'm understanding that you are both here
11 appearing and speaking for the Alaska Oil and Gas, the AOGA.
12 It's denominated the AOGCC task group.....

13 MS. MORIARTY: Yes.

14 COMMISSIONER NORMAN:as opposed to -- so you're
15 speaking for your membership?

16 MS. MORIARTY: Yes, we are and I thank you, Commissioner,
17 I forgot to mention that in our work group meetings that we've
18 had over the past couple of weeks on this revised proposal we
19 have had representatives from both North Slope and Cook Inlet
20 operators and they just are not able to be here today.

21 CHAIRMAN SEAMOUNT: Thank you, Ms. Moriarty. Mr. Engel.

22 MR. ENGEL: First I'd like to echo the comments that Kara
23 made regarding the support and the willingness of the
24 Commission Staff to work with industry and for us to understand
25 the context and background for the regulations. It helped us

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1 to understand the intent of some of these comments so it was
2 really beneficial for us to work with the Staff and we really
3 appreciated all that help we did receive.

4 I'd like to state with Section (e) and Section (e) the
5 current language that we see in the proposed draft is much
6 clearer and workable than the earlier version that we did have
7 so we do appreciate that consideration from the Commission.

8 The one comment that we'd like to talk about is the
9 requirements for a 10 day notice prior to inspection. And
10 basically we feel that the 10 day period can hamper efficient
11 planning and execution of field work associated with inspecting
12 some of the suspended wells.

13 For example, if we were going to be going out and doing
14 some work on a pad that had a suspended well on it we could go
15 some other work such as MITs, mechanical integrity tests or
16 some safety valve inspections and we feel that that could
17 actually hamper the ability to do such work with such a long
18 period of notice to the Commission.

19 And also the work schedule for 10 days out it could be
20 potentially postponed due to weather considerations or work and
21 equipment may be diverted to other high priority work and
22 therefore we'd lose opportunity to do the work planned 10 days
23 earlier.

24 And additionally the Commission does require a 48 hour
25 notice for safety valve system inspections for remote locations

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1 so that would be more consistent with current regulations so we
2 would consider -- or recommend that the Commission consider a
3 48 hour notice as opposed to a 10 day notice.

4 COMMISSIONER NORMAN: I have a question on that point, Mr.
5 Engel. Some times the suspended wells are off the beaten path,
6 if you will, a little more. My question is as a matter of
7 general practice this is 10 days, but it doesn't say that if an
8 inspector were contacted arrangements couldn't be made for a
9 shorter meeting.

10 In your exper- -- well, it says at least 10 days, that's a
11 default provision, but let me say it this way, in your
12 experience, if you know, if our inspectors are contacted and
13 said that we have this to do could we arrange this for 48 or 72
14 hours, are they generally accommodating or is there difficulty?

15 MR. ENGEL: My experience is that the Commission Staff in
16 the field have been very flexible in being able to meet notices
17 like that and if they couldn't they would ask if there could be
18 other arrangements made to accommodate an inspection at a
19 different time or a different -- you know, to meet their
20 schedule, so there is flexibility on the Commission's Staff.

21 We just felt that the way it's currently worded that at
22 least 10 day notice be given that would require us to plan in
23 advance which could hamper operational flexibility on other
24 pads.

25 COMMISSIONER NORMAN: Okay, thank you.

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1 MR. ENGEL: Okay. The next section I'd like to comment on
2 would be Section (j). And, again, like Kara mentioned our
3 comments reflect an earlier version of the regulation drafts
4 and please consider that in the evaluation of our comments in
5 consideration of those.

6 The one comment I would like to make is in regard to the
7 five day period to provide a report and we'd like to offer for
8 consideration that the Commission consider changing that to be
9 within five working days to account for periods of long
10 weekends and such so we'd have the time to get the report in,
11 in a timely manner.

12 And the next section would be Section (l) and as Jane
13 Williamson mentioned at the beginning of the testimony this
14 morning that has been changed quite a bit, but I would like to
15 offer our comments and just leave that with the Commission for
16 consideration. And we understand the intent of the regulation
17 is to allow the Commission the ability to take action with an
18 operator in a variety of situations and the new draft language
19 has been changed quite a bit to reflect that.

20 We do, however, think that, that ability may be already in
21 existence in the regulations. For example, application for
22 Sundry Approval is contained in the proposed regulations at
23 25.110(b), enforcement and emergency actions are covered in
24 25.535 and .539. And also hearings on the Commission's own
25 motion are already covered in Section 25.540.

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1 So we felt that the ability for the Commission to take
2 action may already exist in the regulations and we consider --
3 we would recommend that the Commission consider our comments
4 and if the Commission believes that you do need additional
5 regulation on that topic that the section be clear and distinct
6 so the operators know exactly what actions can be taken by the
7 Commission.

8 And just for clarity the last two sections I want to talk
9 about are 25.508 and 25.509. I understand from Ms.
10 Williamson's testimony this morning that they have been
11 withdrawn from the regulations and the AOGA members did support
12 those two sections in the regulations because they do provide
13 operational flexibility to the operator from a field
14 perspective and still (ph) provide due consideration of sound
15 engineering practice. And also allows the Commission to
16 approve any variation or waiver request that may come in so we
17 do support those additions to the regulations.

18 And that's all I have to comment on this morning. I'd be
19 happy to take any questions from the Commission at this point
20 if there are any.

21 COMMISSIONER NORMAN: Mr. Engel, if I could go back over
22 just to make sure that I've understood everything you said,
23 your suggested changes, the first would be to subsection (e)
24 and the concern was over the 10 days notice. And your
25 recommendation was that it be 48 hours or two days -- 48 hours

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1 notice?

2 MR. ENGEL: Yes, Commissioner.

3 COMMISSIONER NORMAN: Okay. But your main point is that
4 the 10 days is too long.

5 Your next concern is expressed with subsection (j) and
6 it was with the five days and your request was that the word
7 working day -- or working be sub- -- be inserted there?

8 MR. ENGEL: Yes.

9 COMMISSIONER NORMAN: And then on subsection (l) you
10 mentioned the existing authority of the Commission and on this
11 one I was trying to follow specifically, are you suggesting
12 then that (l) is unnecessary?

13 MR. ENGEL: Yes. Yes, Commissioner.

14 COMMISSIONER NORMAN: Okay, all right, okay. And then
15 finally the provision of waiver and variance hasn't gone away
16 entirely, but it's been pulled back just so that with benefit
17 of advice of legal counsel we can look at the interaction
18 between that and the other provisions.

19 MR. ENGEL: Very good, thank you for that clarification.

20 COMMISSIONER NORMAN: Nothing more.

21 CHAIRMAN SEAMOUNT: Thank you, Mr. Engel.

22 MR. ENGEL: Thank you, Commissioner.

23 CHAIRMAN SEAMOUNT: Okay. It looks like unless there's
24 anybody else out there we have one more person to testify
25 representing ConocoPhillips.

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1 MR. EGGEMEYER: I'll waive my testimony. We will have a
2 letter a little later today with some minor comments, but
3 nothing particularly major.

4 COURT REPORTER: I can't.....

5 CHAIRMAN SEAMOUNT: Okay. Let the record show that the
6 representative from ConocoPhillips is -- has decided not to
7 testify, but will follow-up with comments by letter. Okay.
8 Thank you, Mr. Eggemeyer.

9 Are there any other questions or comments? Hearing none,
10 I don't think it's necessary to take a recess unless -- okay.
11 No recess.

12 Okay. As requested we will leave the record opened until
13 the close of business on June 24th for additional public
14 comment. And this issue will be brought up at the open meeting
15 the next day, is that correct?

16 MS. WILLIAMSON: It just depends on how you want to
17 handle.....

18 CHAIRMAN SEAMOUNT: On the 25th.

19 MS. WILLIAMSON:it, do you want to allow people to
20 testify or comment on the 25th during the hearing -- during the
21 meeting -- Public Meeting?

22 CHAIRMAN SEAMOUNT: Is that.....

23 COMMISSIONER NORMAN: Yeah. Yes, I think, of course, that
24 will be a Public Meeting and so if after reviewing this it
25 causes further public comments to be brought forth than that

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1 would be appropriate to do it. We'd listen to them, but I
2 think right now if there are no further comments or even having
3 heard those comments if the Commission is satisfied that we
4 brought this as far as it is, then the Commission would
5 contemplate voting on this at that time.

6 CHAIRMAN SEAMOUNT: So what was the answer, I was
7 distracted?

8 COMMISSIONER NORMAN: The answer is yes, there would be
9 the opportunity for additional comments if that's necessary.
10 If any member of the public or industry or government feels
11 like additional comment is necessary on the 25th and this will
12 be an agenda item and there would be an opportunity for that.

13 CHAIRMAN SEAMOUNT: And would that be part of this hearing
14 or -- I guess -- I guess it would be?

15 COMMISSIONER NORMAN: It would be if we -- we'd make sure
16 that it gets into the record of this hearing, but if there
17 are -- well, if it's appropriate at that time in the view
18 though of the Commission then the Commission would contemplate
19 taking action to approve these regulations at that time.

20 MS. WILLIAMSON: Commissioners, this is Jane Williamson, I
21 was thinking for one more thing. It sounds like all the
22 comments that have come in are quite close and I think that we
23 could instead of putting these changes on the website we
24 possibly within the next day or two could come out with a final
25 version that is actually coincides with what the public has

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1 been saying, so I don't know, which do you wan- -- would --
2 which would you prefer?

3 CHAIRMAN SEAMOUNT: I would think we want the most updated
4 version on the website as soon as possible. I mean, there may
5 be other people out in the public that would like to look and
6 comment on these (ph).

7 MS. WILLIAMSON: Okay, so -- okay.

8 CHAIRMAN SEAMOUNT: Okay. I assume everyone in this room
9 has gotten copies of the revised, proposed regulations, if not
10 Ms. Colombie could provide them to you.

11 Any other comments, questions?

12 COMMISSIONER NORMAN: Nothing.

13 CHAIRMAN SEAMOUNT: Any other comments, questions from the
14 public? Hearing none, do I hear a motion to adjourn?

15 COMMISSIONER NORMAN: Move to adjourn.

16 CHAIRMAN SEAMOUNT: I second. All in favor.

17 COMMISSIONER NORMAN: Ayes.

18 CHAIRMAN SEAMOUNT: We're adjourned.

19 (Recessed - 9:39 a.m.)
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20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for approval to suspend a well or renewal of suspension approval. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

Deleted: the suspension of

(1) the well

Deleted: health, safety and the environment are protected by ensuring, among other things, that

- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
- (D) will not impair the recovery of oil or gas; and
- (E) is secure, safe, and not a threat to public health; and

(2) the well

Deleted: a producer

- (A) has future utility as an exploratory, development, or service well;
- (B) is a viable candidate for re-drilling; or
- (C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). The application must include all information and documentation relating to whether suspension is appropriate under (a) of this section and must specifically include the following:

- (1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (2) information on abnormally geo-pressured or depleted strata; and
- (3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

(c) ~~Unless otherwise required by the commission, any well suspended under this section must be plugged in accordance with 20 AAC 25.112(a)-(c) and (e)-(i). Upon written request of the operator, the commission may approve a variance of this subsection if the variance provides at least equally effective means of suspending the well under this subsection.~~

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Deleted: unless otherwise authorized by the commission, and the operator must comply with 20 AAC 25.070.¶

(d) ~~The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.~~

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every calendar year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24-month period. For all inspections under this subsection (e), the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to accompany the operator on the inspection tour.

(f) Within 30 days after any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include

(1) a description of the condition of the wellhead and surface location, including any discoloration, fluids(s) or sheen(s) visible on the ground or in any nearby water;

(2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;

(3) well pressure readings, where practicable;

(4) photographs clearly showing the condition of the wellhead and surrounding location;

and

(5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

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(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) containing all information and documentation required by (b) of this section. A renewal is not effective until approved by the commission. Within 24 months prior to the submission of a request for suspension renewal, a well-site inspection must be completed and, within 30 days after that well-site inspection, a Report of Sundry Well Operations (Form 10-404), including all information and documentation required under (f) of this section, must be filed with the commission.

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(i) For wells suspended prior to January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal must be submitted

(1) no later than December 31, 2010 for all wells suspended prior to January 1, 2006; and

(2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if, the operator learns that a suspended well is suspected to be: (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; or (5) a threat to public health or not secure or safe. Within 5 days after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

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(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(l) At any time the commission may request an operator to provide (within 10 days of the request) any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that the information in the commission's files is insufficient to support allowing the well to remain suspended, the commission may take action under 20 AAC 25.540, including,

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(1) revoking the well's suspended status, effective as of the date determined by the commission, and

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(1) issue a notice identifying, or approve an Application for Sundry Approvals (Form 10-403) committing to, actions necessary to maintain the well's suspended status, or¶
(2) after a notice and hearing, issue an order that either or both

(2) prescribing actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment, a separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

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(m) Upon written request of the operator, any deadlines under this section may be amended by the commission upon a showing of good cause.

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History: (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095

Alaska Oil and Gas Association



121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907) 272-1481 Fax: (907) 279-8114
Email: moriarty@aoga.org
Kara Moriarty, Deputy Director

June 17, 2008

Commissioner Dan Seamount
Alaska Oil & Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, AK 99501

Re: Proposed Changes to 20 AAC 25.110 – Suspended Wells,
25.300 Request for Information, 25.508 Waivers of Regulations,
25.509 Variances from Regulations

Dear Commissioner Seamount:

The 17 members of the Alaska Oil & Gas Association (AOGA) account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in the state. We appreciate the opportunity to comment on these proposed regulations.

As indicated in previous testimony on this subject, AOGA supports the spirit of the proposed changes to the suspended wells regulations, and agrees that a requirement for periodic review of suspended wells and site inspection is appropriate. We appreciate the consideration the Alaska Oil and Gas Commission (AOGCC) has given to the industry comments submitted in the previous hearing on February 28 and it is apparent that several of our concerns were met in the latest draft of proposed regulations. We also appreciate the willingness of the AOGCC staff to provide additional background for the current proposed regulations.

The regulations must provide clear guidance for when suspension of a well is appropriate, under what circumstances a suspension will be approved and the ongoing requirements for suspended wells. We do have some specific comments regarding the details contained in the proposed language, which can be found in the attached document.

Please consider this communication and the attachment as part of the public record associated with this subject. If you have any questions, please contact me or Harry Engel, chairman of our AOGCC task group, at 564-4194.

Sincerely,

A handwritten signature in black ink that reads 'Kara Moriarty' in a cursive script.

KARA MORIARTY
Deputy Director

Attachment

Cc: Commissioner John Norman
Commissioner Cathy Foerster

Alaska Oil and Gas Association, Comments on Proposed
Alaska Oil and Gas Conservation Commission (AOGCC) Regulation Changes
20 AAC 25.110 Suspended Wells, 25.300 Request for Information, 25.508 Waivers of
Regulations, 25.509 Variances from Regulations

Specific Comments on Proposed 20 AAC 25.110: Suspended Wells

(a) If allowed under 20 AAC 25.105, and operator may apply to the commission under (b) of this section for the suspension of a well or renewal of suspension approval. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

(1) health, safety and the environment are protected by ensuring, among other things, that the well

(A) is mechanically sound;

(B) will not allow the migration of fluids;

(C) will not damage freshwater or producing or potentially producing formations

(D) will not impair the recovery of oil or gas; and

(E) is secure; and

(2) the well

(A) has future utility as a producer or service well;

(B) is a viable candidate for redrilling; or

(C) is located on a pad or platform with active producing or service wells.

AOGA Comment:

- We appreciate the criteria the AOGCC has included in this section, however, we have concerns with two of the additional phrases that have been included; "health, safety and the environment" and "by ensuring, among other things".
- If adopted, the phrase "health, safety and the environment" would appear for the first time in AOGCC regulations and may cause confusion with other regulatory agencies, such as the Department of Environmental Conservation (DEC). We would recommend that 20 AAC 25.110(a)(1) be shortened to simply state "the well".
- We recommend the phrase "by ensuring, among other things" be removed because it creates a potentially unlimited scope for the regulation (i.e. if an operator can demonstrate the items in 20 AAC 25.110(a)(1)(A)-(E), what "other things" might it be required to "ensure"?).

(b) An Application of Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). The application must include all information and documentation relating to whether suspension is appropriate under (a) of this section and must specifically include the following:

(1) well bore diagrams illustrating the current and proposed mechanical configurations of the well;

(2) information on abnormally geo-pressured or depleted strata; and

(3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

AOGA Comment:

- The phrase “The application must include all information and documentation relating to whether suspension is appropriate under (a) of this section and must specifically include the following ...” could be simplified to state “In addition to meeting the requirements of (a) of this section, the application must include ...”.

(c) Any well suspended under this section must be plugged in accordance with 20 AAC 25.112 unless otherwise authorized by the commission, and the operator must comply with 20 AAC 25.070.

AOGA Comment:

- The reference to 20 AAC 25.112 indicates the minimum suspension requirement includes all plugs including the surface plug. The existing regulation clearly delineates circumstances under which the requirements of 20 AAC 25.112(d) regarding surface plugs do not apply. The proposed regulation lacks this certainty because the specific reference to 20 AAC 25.112(d) has been deleted. AOGA believes it is appropriate to not require a surface plug under the circumstances described in 20 AAC 25.110(d)(1)-(2), as the addition of the surface plug may significantly complicate efforts to re-enter a well. We support retention of the existing regulation, with the proposed addition of the phrase “unless otherwise authorized by the commission”. This phrase will allow differing plugging technologies to be employed if authorized by the commission.
- The inclusion of a reference to 20 AAC 25.070 seems out of place in this section. 20 AAC 25.070 contains requirements for records and reporting and is not specifically related to plugging requirements. The operator must already comply with 20 AAC 25.070, so repeating that requirement here seems unnecessary.

(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

AOGA comment: None.

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24 month period. For all inspections under this subsection (e), the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to accompany the operator on the inspection tour.

AOGA Comment:

- The proposed language is much clearer and workable than the earlier version.
- The ten day notice requirement could hamper efficient planning of field activities and reduce flexibility to take advantage of opportunities to combine the inspection visits with other work. We recommend a 48-hour notice period prior to inspections. A 48-hour notice timeframe would be consistent with the proposed Safety Valve System regulations which require 48 hours notice of testing for remote locations.

- (f) Within 30 days after any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include
- (1) a description of the condition of the wellhead and surface location, including any fluids(s) or sheen(s) visible on the ground or in any nearby water;
 - (2) a plat showing the location of the suspended well and any wells within a one-quarter mile radius of the wellbore;
 - (3) well pressure readings, where practicable;
 - (4) photographs clearly showing the condition of the wellhead and surrounding location; and
 - (5) an update of all information and documentation required in (b) of this section.

AOGA Comment: None

- (g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years.

AOGA Comment: None

- (h) A renewal may be requested by the submission of an Application for Sundry Approvals (Form 10-403) containing all information and documentation required in (b) of this section. Within 24 months prior to the request for suspension renewal, a well-site inspection must be completed and, within 30 days after that well-site inspection, a Report of Sundry Well Operations (Form 10-404), including all information and documentation required under (f) of this section, must be filed with the commission.

AOGA Comment:

- In the absence of a time period by which the commission shall act upon a submitted renewal request, a provision should be added to allow continued suspended well status until there is action by the commission on the renewal application.
- (i) For wells suspended prior to January 1, 2009, an Application for Sundry Approvals (form 10-403) requesting a suspension renewal must be submitted
- (1) no later than December 31, 2010 for all wells suspended prior to January 1, 2006; and
 - (2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

AOGA Comment: None

(j) If, at any time, the operator learns that health, safety, or the environment is, or may be, threatened by a suspended well, the operator shall immediately notify the commission and propose appropriate action. Within 5 days after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

AOGA Comment:

- As stated in section (a), the proposed language may create conflicts or duplication between AOGCC regulations and regulations of other agencies regarding “health, safety and environment”. We recommend the reference to “the environment” be removed to be consistent with the Emergency Action provisions of 20 AAC 25.539(a).
- The requirement for a report to be submitted within a five day period may prove difficult in some situations, such as long holiday weekends. AOGA recommends the requirement be changed to “Within 5 working days ...”.

(k) If, at any time the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

AOGA Comment: None.

(l) If the commission lacks sufficient information to determine whether suspension is or remains appropriate for a well under (a) of the section, if suspension is no longer appropriate for a well under (a) of this section, including because plugging and abandonment is required under 20 AAC 25.105, or if, with respect to the well, the operator violated a requirement of, or order issued under, AS 31.05 or this chapter, the commission may

- (1) issue a notice identifying, or approve an Application for Sundry Approvals (Form 10-403) committing to, actions necessary to maintain the well’s suspended status, or
- (2) after a notice and hearing, issue an order that either or both
 - (i) revokes the well’s suspended status, effective as of the date determined by the commission, and
 - (ii) prescribes actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment, a separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

- **AOGA Comment:** We understand the intent of this section is to allow the AOGCC the ability to take action in a variety of situations. Some of these situations appear to be already covered by other existing or proposed regulations. For instance, the requirements for an Application for Sundry Approvals is contained in proposed 20 AAC 25.110 (b), enforcement and emergency actions are covered in 20 AAC 25.535 and 25.539 and hearings on the commission’s own motion are covered in 20 AAC 25.540.

- If the AOGCC believes that (l) is necessary, the introduction section is ambiguous and should be rewritten to provide clarity regarding the situations that may cause the AOGCC to take action.

20 AAC 25.300. Requests for Information. Notwithstanding any other provision of this chapter, if the commission requests that a person provide information or documentation regarding a matter within the commission's jurisdiction, that person must provide that information within 30 days of the date the request was sent or within another time period specified by the commission.

AOGA Comment: None.

20 AAC 25.508. Variances from regulations. Unless notice and hearing are required under this chapter, upon written request from the operator, the commission may approve a variance from a requirement of this chapter if the variance provides at least an equally effective means of complying with the requirement.

AOGA Comment: We support the inclusion of this section within the regulations to provide flexibility.

20 AAC 25.509. Waivers of regulations. Unless notice and hearing are required under this chapter, upon written request from the operator, the commission may approve a waiver of this chapter if the waiver will not promote waste or jeopardize correlative rights, will not compromise the ultimate recovery of hydrocarbons, is based on sound engineering and geoscience principles, and will not result in an increased risk to health, safety or the environment.

AOGA Comment: We support the inclusion of this section within the regulations to provide flexibility.

Alaska Oil and Gas Association



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Anchorage, Alaska 99503-2035
Phone: (907) 272-1481 Fax: (907) 279-8114
Email: moriarty@aoga.org
Kara Moriarty, Deputy Director

June 25, 2008

Commissioner Dan Seamont
Alaska Oil & Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, AK 99501

RECEIVED
JUN 25 2008
Alaska Oil & Gas Cons. Commission
Anchorage

Re: Proposed Changes to 20 AAC 25.110 – Suspended Wells,
25.300 Request for Information, 25.508 Waivers of Regulations,
25.509 Variances from Regulations

Dear Commissioner Seamont:

The 17 members of the Alaska Oil & Gas Association (AOGA) account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in the state. We appreciate the opportunity to comment on these proposed regulations.

As indicated in previous testimony on this subject, AOGA supports the spirit of the proposed changes to the suspended wells regulations, and agrees that a requirement for periodic review of suspended wells and site inspection is appropriate. The regulations must provide clear guidance for when suspension of a well is appropriate, under what circumstances a suspension will be approved and the ongoing requirements for suspended wells.

We appreciate the consideration the Alaska Oil and Gas Commission (AOGCC) has given to the industry comments submitted in previous hearings on February 28 and June 17. We have especially appreciated the willingness and cooperation of the AOGCC staff to provide background and answer questions on the proposed regulations throughout this process.

It is apparent that several of our concerns were met in the latest draft of proposed regulations, and we do not have any further comment on the draft that will be submitted by AOGCC staff at your June 25 public meeting.

If you have any questions, please contact me or Harry Engel, chairman of our AOGCC task group, at 564-4194.

Sincerely,

A handwritten signature in cursive script that reads 'Kara Moriarty'.

KARA MORIARTY
Deputy Director

Cc: Commissioner John Norman
Commissioner Cathy Foerster



Hélène E. Harding
Vice President
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Development, Alaska
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RECEIVED

June 17, 2008

JUN 17 2008

Alaska Oil & Gas Cons. Commission
Anchorage

Mr. Daniel T. Seamount, Jr., Chairman
Alaska Oil and Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, Alaska 99501-3539

**Re: Comments of ConocoPhillips Alaska, Inc.
Proposed Regulation Changes to 20 AAC 25.110**

Dear Chairman Seamount:

ConocoPhillips Alaska, Inc. ("CPAI") appreciates the opportunity to comment on the proposed revisions to 20 AAC 25.110 regulations addressing suspended wells. The regulations proposed by the Commission reflect the commendable work by the Commission's staff in drafting, soliciting and analyzing input, and incorporating changes where necessary to provide a workable process for suspending wellbores that will continue to protect Alaska's resources.

CPAI supports the currently proposed regulations, but requests that the Commission consider a couple of clarifying revisions, as described below.

Proposed regulation **20 AAC 25.110(a)**. Pursuant to subsection (1) of this proposed regulation, an operator "must demonstrate to the commission's satisfaction that (1) health, safety and environment are protected by ensuring, among other things, that the well . . ." The phrase "among other things" indicates that the list does not provide adequate notice to the applicant about what all must be demonstrated to the Commission as ensured in order to obtain approval to suspend a well or to continue to suspend a well. CPAI suggests that the phrase "among other things" be replaced by the phrase, "subject to all other requirements of AS 31.05," which should eliminate the notice issue.

Proposed regulation **20 AAC 25.110(k)**. For clarification, CPAI suggests that at the end of this regulation section, the words "as necessary" be added. Not every situation where there is a change in the status of a well giving rise to the requirement to provide updated information to the Commission will necessarily require that any action be taken.

Proposed regulation **20 AAC 25.110(i)**. CPAI suggests that for clarity, an introductory phrase be added to this proposed regulation as follows: "Upon receipt of an application for suspension or renewal of suspension, or upon receipt of new or updated information regarding a suspended well, . . ." Without such a phrase, the regulation would appear to allow the Commission to

Mr. Daniel T. Seamount Jr., Chairman
AOGCC
June 17, 2008, Page 2

determine to reverse prior final decisions without any change in the information currently on record at the Commission.

CPAI appreciates the time and effort the Commission staff has put into this regulatory process, and the Commission's consideration of the comments submitted in this letter. If there are questions regarding CPAI's comments, please contact Randy Kanady at 263-4126, or Jerome Eggemeyer at 265-6049.

Sincerely,



Helene E. Harding

Alaska Oil and Gas Association



121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907) 272-1481 Fax: (907) 279-8114
Email: moriarty@aoga.org
Kara Moriarty, Deputy Director

June 17, 2008

Commissioner Dan Seamount
Alaska Oil & Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, AK 99501

Re: Proposed Changes to 20 AAC 25.110 – Suspended Wells,
25.300 Request for Information, 25.508 Waivers of Regulations,
25.509 Variances from Regulations

Dear Commissioner Seamount:

The 17 members of the Alaska Oil & Gas Association (AOGA) account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in the state. We appreciate the opportunity to comment on these proposed regulations.

As indicated in previous testimony on this subject, AOGA supports the spirit of the proposed changes to the suspended wells regulations, and agrees that a requirement for periodic review of suspended wells and site inspection is appropriate. We appreciate the consideration the Alaska Oil and Gas Commission (AOGCC) has given to the industry comments submitted in the previous hearing on February 28 and it is apparent that several of our concerns were met in the latest draft of proposed regulations. We also appreciate the willingness of the AOGCC staff to provide additional background for the current proposed regulations.

The regulations must provide clear guidance for when suspension of a well is appropriate, under what circumstances a suspension will be approved and the ongoing requirements for suspended wells. We do have some specific comments regarding the details contained in the proposed language, which can be found in the attached document.

Please consider this communication and the attachment as part of the public record associated with this subject. If you have any questions, please contact me or Harry Engel, chairman of our AOGCC task group, at 564-4194.

Sincerely,

A handwritten signature in black ink that reads 'Kara Moriarty' in a cursive script.

KARA MORIARTY
Deputy Director

Attachment

Cc: Commissioner John Norman
Commissioner Cathy Foerster

Alaska Oil and Gas Association, Comments on Proposed
Alaska Oil and Gas Conservation Commission (AOGCC) Regulation Changes
20 AAC 25.110 Suspended Wells, 25.300 Request for Information, 25.508 Waivers of
Regulations, 25.509 Variances from Regulations

Specific Comments on Proposed 20 AAC 25.110: Suspended Wells

(a) If allowed under 20 AAC 25.105, and operator may apply to the commission under (b) of this section for the suspension of a well or renewal of suspension approval. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

(1) health, safety and the environment are protected by ensuring, among other things, that the well

(A) is mechanically sound;

(B) will not allow the migration of fluids;

(C) will not damage freshwater or producing or potentially producing formations

(D) will not impair the recovery of oil or gas; and

(E) is secure; and

(2) the well

(A) has future utility as a producer or service well;

(B) is a viable candidate for redrilling; or

(C) is located on a pad or platform with active producing or service wells.

AOGA Comment:

- We appreciate the criteria the AOGCC has included in this section, however, we have concerns with two of the additional phrases that have been included; "health, safety and the environment" and "by ensuring, among other things".
- If adopted, the phrase "health, safety and the environment" would appear for the first time in AOGCC regulations and may cause confusion with other regulatory agencies, such as the Department of Environmental Conservation (DEC). We would recommend that 20 AAC 25.110(a)(1) be shortened to simply state "the well".
- We recommend the phrase "by ensuring, among other things" be removed because it creates a potentially unlimited scope for the regulation (i.e. if an operator can demonstrate the items in 20 AAC 25.110(a)(1)(A)-(E), what "other things" might it be required to "ensure"?).

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(1) well bore diagrams illustrating the current and proposed mechanical configurations of the well;

(2) information on abnormally geo-pressured or depleted strata; and

(3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

AOGA Comment:

- The phrase “The application must include all information and documentation relating to whether suspension is appropriate under (a) of this section and must specifically include the following ...” could be simplified to state “In addition to meeting the requirements of (a) of this section, the application must include ...”.

(c) Any well suspended under this section must be plugged in accordance with 20 AAC 25.112 unless otherwise authorized by the commission, and the operator must comply with 20 AAC 25.070.

AOGA Comment:

- The reference to 20 AAC 25.112 indicates the minimum suspension requirement includes all plugs including the surface plug. The existing regulation clearly delineates circumstances under which the requirements of 20 AAC 25.112(d) regarding surface plugs do not apply. The proposed regulation lacks this certainty because the specific reference to 20 AAC 25.112(d) has been deleted. AOGA believes it is appropriate to not require a surface plug under the circumstances described in 20 AAC 25.110(d)(1)-(2), as the addition of the surface plug may significantly complicate efforts to re-enter a well. We support retention of the existing regulation, with the proposed addition of the phrase “unless otherwise authorized by the commission”. This phrase will allow differing plugging technologies to be employed if authorized by the commission.
- The inclusion of a reference to 20 AAC 25.070 seems out of place in this section. 20 AAC 25.070 contains requirements for records and reporting and is not specifically related to plugging requirements. The operator must already comply with 20 AAC 25.070, so repeating that requirement here seems unnecessary.

(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

AOGA comment: None.

(e) For any well suspended prior to January 1, 2009, the operator must inspect the well site before September 30, 2010. For any well initially suspended on or after January 1, 2009, the operator must inspect the well site within twelve months after the date of suspension. For any well suspended under this section, subsequent inspections must be conducted within 24 months prior to September 30 of every year ending in 0 or 5, except that no suspended well is required to undergo a subsequent inspection under this subsection (e) if the initial inspection under this subsection (e) occurred within the prior 24 month period. For all inspections under this subsection (e), the operator must provide the commission notice at least ten days prior to the inspection and the opportunity for commission inspectors to accompany the operator on the inspection tour.

AOGA Comment:

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- The ten day notice requirement could hamper efficient planning of field activities and reduce flexibility to take advantage of opportunities to combine the inspection visits with other work. We recommend a 48-hour notice period prior to inspections. A 48-hour notice timeframe would be consistent with the proposed Safety Valve System regulations which require 48 hours notice of testing for remote locations.

(f) Within 30 days after any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include

- (1) a description of the condition of the wellhead and surface location, including any fluids(s) or sheen(s) visible on the ground or in any nearby water;
- (2) a plat showing the location of the suspended well and any wells within a one-quarter mile radius of the wellbore;
- (3) well pressure readings, where practicable;
- (4) photographs clearly showing the condition of the wellhead and surrounding location; and
- (5) an update of all information and documentation required in (b) of this section.

AOGA Comment: None

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years.

AOGA Comment: None

(h) A renewal may be requested by the submission of an Application for Sundry Approvals (Form 10-403) containing all information and documentation required in (b) of this section. Within 24 months prior to the request for suspension renewal, a well-site inspection must be completed and, within 30 days after that well-site inspection, a Report of Sundry Well Operations (Form 10-404), including all information and documentation required under (f) of this section, must be filed with the commission.

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- (i) For wells suspended prior to January 1, 2009, an Application for Sundry Approvals (form 10-403) requesting a suspension renewal must be submitted
- (1) no later than December 31, 2010 for all wells suspended prior to January 1, 2006; and
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AOGA Comment: None

(j) If, at any time, the operator learns that health, safety, or the environment is, or may be, threatened by a suspended well, the operator shall immediately notify the commission and propose appropriate action. Within 5 days after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

AOGA Comment:

- As stated in section (a), the proposed language may create conflicts or duplication between AOGCC regulations and regulations of other agencies regarding "health, safety and environment". We recommend the reference to "the environment" be removed to be consistent with the Emergency Action provisions of 20 AAC 25.539(a).
- The requirement for a report to be submitted within a five day period may prove difficult in some situations, such as long holiday weekends. AOGA recommends the requirement be changed to "Within 5 working days ...".

(k) If, at any time the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

AOGA Comment: None.

(l) If the commission lacks sufficient information to determine whether suspension is or remains appropriate for a well under (a) of the section, if suspension is no longer appropriate for a well under (a) of this section, including because plugging and abandonment is required under 20 AAC 25.105, or if, with respect to the well, the operator violated a requirement of, or order issued under, AS 31.05 or this chapter, the commission may

- (1) issue a notice identifying, or approve an Application for Sundry Approvals (Form 10-403) committing to, actions necessary to maintain the well's suspended status, or
- (2) after a notice and hearing, issue an order that either or both
 - (i) revokes the well's suspended status, effective as of the date determined by the commission, and
 - (ii) prescribes actions the operator must take, which may include plugging and abandonment of the well. If action is ordered, including plugging and abandonment, a separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

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20 AAC 25.300. Requests for Information. Notwithstanding any other provision of this chapter, if the commission requests that a person provide information or documentation regarding a matter within the commission's jurisdiction, that person must provide that information within 30 days of the date the request was sent or within another time period specified by the commission.

AOGA Comment: None.

20 AAC 25.508. Variances from regulations. Unless notice and hearing are required under this chapter, upon written request from the operator, the commission may approve a variance from a requirement of this chapter if the variance provides at least an equally effective means of complying with the requirement.

AOGA Comment: We support the inclusion of this section within the regulations to provide flexibility.

20 AAC 25.509. Waivers of regulations. Unless notice and hearing are required under this chapter, upon written request from the operator, the commission may approve a waiver of this chapter if the waiver will not promote waste or jeopardize correlative rights, will not compromise the ultimate recovery of hydrocarbons, is based on sound engineering and geoscience principles, and will not result in an increased risk to health, safety or the environment.

AOGA Comment: We support the inclusion of this section within the regulations to provide flexibility.



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JUN 17 2008

Alaska Oil & Gas Cons. Commission
Anchorage

June 17, 2008

Mr. Daniel T. Seamount, Jr., Chairman
Alaska Oil and Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, Alaska 99501-3539

**Re: Comments of ConocoPhillips Alaska, Inc.
Proposed Regulation Changes to 20 AAC 25.110**

Dear Chairman Seamount:

ConocoPhillips Alaska, Inc. ("CPAI") appreciates the opportunity to comment on the proposed revisions to 20 AAC 25.110 regulations addressing suspended wells. The regulations proposed by the Commission reflect the commendable work by the Commission's staff in drafting, soliciting and analyzing input, and incorporating changes where necessary to provide a workable process for suspending wellbores that will continue to protect Alaska's resources.

CPAI supports the currently proposed regulations, but requests that the Commission consider a couple of clarifying revisions, as described below.

Proposed regulation **20 AAC 25.110(a)**. Pursuant to subsection (1) of this proposed regulation, an operator "must demonstrate to the commission's satisfaction that (1) health, safety and environment are protected by ensuring, among other things, that the well . . ." The phrase "among other things" indicates that the list does not provide adequate notice to the applicant about what all must be demonstrated to the Commission as ensured in order to obtain approval to suspend a well or to continue to suspend a well. CPAI suggests that the phrase "among other things" be replaced by the phrase, "subject to all other requirements of AS 31.05," which should eliminate the notice issue.

Proposed regulation **20 AAC 25.110(k)**. For clarification, CPAI suggests that at the end of this regulation section, the words "as necessary" be added. Not every situation where there is a change in the status of a well giving rise to the requirement to provide updated information to the Commission will necessarily require that any action be taken.

Proposed regulation **20 AAC 25.110(l)**. CPAI suggests that for clarity, an introductory phrase be added to this proposed regulation as follows: "Upon receipt of an application for suspension or renewal of suspension, or upon receipt of new or updated information regarding a suspended well, . . ." Without such a phrase, the regulation would appear to allow the Commission to

Mr. Daniel T. Seamount Jr., Chairman
AOGCC
June 17, 2008, Page 2

determine to reverse prior final decisions without any change in the information currently on record at the Commission.

CPAI appreciates the time and effort the Commission staff has put into this regulatory process, and the Commission's consideration of the comments submitted in this letter. If there are questions regarding CPAI's comments, please contact Randy Kanady at 263-4126, or Jerome Eggemeyer at 265-6049.

Sincerely,



Helene E. Harding

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ALASKA OIL AND GAS CONSERVATION COMMISSION

Before Commissioners: Daniel T. Seamount, Chairman
Cathy Foerster
John K. Norman

In the Matter of the Proposed)
Amendments to 20 AAC 25.110)
Regarding Suspended Wells)
_____)

ALASKA OIL and GAS CONSERVATION COMMISSION
Anchorage, Alaska

February 28, 2008
9:00 o'clock a.m.

**VOLUME I
PUBLIC HEARING**

BEFORE: Daniel T. Seamount, Chairman
Cathy Foerster, Commissioner
John K. Norman, Commissioner

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MAR 03 2008

**Alaska Oil & Gas Cons. Commission
Anchorage**

R & R COURT REPORTERS

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(907)277-0572/Fax 274-8982

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Tape 1

0050

(On record - 9:00 a.m.)

CHAIRMAN SEAMOUNT: On the record. We'll call this hearing to order. This is a hearing to consider proposed amendments to regulations of the Alaska Oil and Gas Conservation Commission. Today is Thursday, February 28th, 2008, it is 9:00 o'clock. We're located at 333 West Seventh Avenue, Anchorage, Alaska. Those are the offices of the AOGCC.

My name is Dan Seamount, as you can see on the -- I think that's -- yeah, it does say Dan Seamount. Okay. To my right is Commissioner John Norman, to my left is Commissioner Cathy Foerster. And way in the back is Staff Assistant Jody Colombie, she's here to assist anybody that needs -- that has special needs.

The Alaska Oil & Gas Conservation Commission proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code dealing with suspended wells, including the following. The proposed regulation changes referenced clarify what is expected of operators with respect to the surveillance, maintenance and reporting requirements for suspended wells throughout the state.

Notice of the hearing was published in the Anchorage Daily News on January 7th, it was also posted on AOGCC's website.

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1 This hearing is proceeding in accordance with the general
2 hearing regulations applicable to this Commission and those
3 regulations are specifically found at 20 AAC 25.540 of the
4 Alaska Administrative Code.

5 R & R Court Reporting will be recording the proceedings,
6 you can get a copy of the transcript from R & R Court Reporters
7 or you can have Jody Colombie assist you if you need further
8 direction.

9 We'd like to remind those that are testifying that there
10 are two microphones -- well, actually they're attached now
11 aren't they? They are? Okay. Good. So just speak into the
12 microphone so that the people in the room can hear you and also
13 so that the recorder can get an accurate transcript of this
14 hearing.

15 Where's the sign in sheet? Okay. Looks like we have a
16 number of people here to -- that would like to testify. We
17 also have on the phone Mr. Jim White. Mr. White, can you hear
18 okay?

19 MR. WHITE: Yes, I can hear well.

20 CHAIRMAN SEAMOUNT: Okay. Great. Welcome, Mr. White.

21 MR. WHITE: Thank you very much.

22 CHAIRMAN SEAMOUNT: So for those that are test -- for the
23 testimony we'll hear from the -- I guess we'll hear from
24 representatives of the AOGCC first since the -- this hearing
25 was initiated by the AOGCC. And then we'll allow opportunity

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1 for other interested parties to testify.

2 If anybody has any questions the way to ask the question
3 is to write the questions down and forward them to the head
4 table and the Commission will answer the -- will ask the
5 question.

6 It looks like -- let's see, we have testimony from AOGCC
7 staff, Mr. Steve Davies, our Senior Petroleum Geologist. And
8 then we have testimony from representatives from BP, AOGA and
9 ConocoPhillips. Okay. Great. Okay. Let's start with Mr.
10 Davies. Is this sworn testimony?

11 COMMISSIONER NORMAN: No.

12 CHAIRMAN SEAMOUNT: I'm not sure it needs to be.

13 COMMISSIONER NORMAN: No.

14 CHAIRMAN SEAMOUNT: Okay. Please state your name and what
15 you do and who you do it for?

16 MR. DAVIES: Yeah, my name is Steve Davies, spelled
17 D-a-v-i-e-s, I'm a Senior Petroleum Geologist here on the staff
18 of the Commission. And what I'd like to do today is take a few
19 moments to provide some background for the hearing.

20 There are currently 137 wells that are designated
21 suspended under regulation 20 AAC 25.110 and 50 of these wells
22 have been suspended for 15 or more years. Forty-eight of these
23 suspended wells are exploratory wells, many of which are
24 located in remote areas that are not visited regularly.

25 The Commission is exercising powers and responsibilities

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1 pursuant to Section 31.05.030 of the Alaska statutes. The
2 Commission regulation governing suspended wells, regulation 20
3 AAC 25.110 is intended to minimize risk to public health,
4 safety, the environment and oil and gas resources by setting
5 out criteria under which a well may be approved for suspended
6 status by the Commission. This regulation also sets reporting
7 criteria so that the Commission is assured that the operating
8 companies are properly monitoring and maintaining the integrity
9 of each suspended well and its surrounding location.

10 Late last spring while reviewing records of suspended
11 wells the Commission senior staff noted that the status reports
12 provided by operating companies varied in form, detail and
13 their degree of conformance to the intent of the suspended
14 wells regulation. Tom Maunder and I undertook a study and then
15 presented our findings and recommendations to the Commission at
16 the Commission's monthly public meeting held June 27, 2007.
17 Our findings and recommendations were submitted to the public
18 record at that meeting and a copy of those findings and
19 recommendations will be entered into the record for this
20 hearing.

21 Following up on our findings and recommendations, the
22 Commission is proposing changes to regulation 20 AAC 25.110.
23 Those proposed changes are the subject of today's hearing. Our
24 intent is to clarify the requirements and conditions governing
25 suspension, including the grounds for suspending wells along

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1 with surveillance, maintenance and reporting requirements.

2 Pursuant to Section 31.05.030 of the statutes, it is
3 within the Commission's responsibility and power to require a
4 reasonable assessment of the future utility of each well. If
5 none can be demonstrated then the well should be plugged and
6 abandoned to eliminate all risk to health, safety, the
7 environment and oil and gas resources. It's also within the
8 Commission's power to require reasonable inspection and
9 reporting to minimize risks associated with each suspended
10 well.

11 This concludes my opening comments. Tom Maunder, Jane
12 Williamson and I are available for any questions that the
13 Commissioners may have.

14 CHAIRMAN SEAMOUNT: Commissioner Norman, do you have any
15 questions?

16 COMMISSIONER NORMAN: I have no questions at this time.

17 CHAIRMAN SEAMOUNT: Commissioner Foerster?

18 COMMISSIONER FOERSTER: I have none right now, I might
19 have some later.

20 CHAIRMAN SEAMOUNT: And I have none either. So that
21 concludes the testimony for AOGCC at this time?

22 MR. DAVIES: Yes, sir.

23 CHAIRMAN SEAMOUNT: Okay. And I would ask you to remain
24 in the room until the hearing is over. Okay. I guess we'll go
25 in order -- well, we'll go first come, first serve. The next

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1 person willing -- willing, wanting to testify is Mr. Engel from
2 BP. And you're also representing AOGA?

3 MR. ENGEL: That's correct.

4 CHAIRMAN SEAMOUNT: Okay. Please come to the table. Ms.
5 Moriarty, are you also going to testify?

6 MS. MORIARTY: Yes. I will give some introductory remarks
7 for AOGA and then turn it over to Mr. Engel to go through some
8 specific comments, if that's okay, Mr. Chairman?

9 CHAIRMAN SEAMOUNT: Okay. Would either of you like to be
10 considered as an expert witness?

11 MS. MORIARTY: That would be Harry.

12 MR. ENGEL: Yes.

13 CHAIRMAN SEAMOUNT: Okay. Mr. Engel, what is the subject?

14 COMMISSIONER FOERSTER: Of your expertise.

15 CHAIRMAN SEAMOUNT: The subj.....

16 MR. ENGEL: Petroleum eng.....

17 CHAIRMAN SEAMOUNT: Right. Well.....

18 MR. ENGEL: Please clarify the question.

19 CHAIRMAN SEAMOUNT: Okay. Then, please, clarify your
20 qualifications as to why you should be an expert witness and on
21 what discipline?

22 MR. ENGEL: Yes, Commissioner.

23 CHAIRMAN SEAMOUNT: I guess just tell us your resume.

24 MR. ENGEL: Okay. My name is Harry Engel. For the record
25 the last name is spelled E-n-g-e-l. I am currently an

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1 engineering team leader for BP and this morning I'm
2 representing AOGA as the chairman of the AOGCC Task Force. I
3 have over 20 years of diverse engineering experience covering
4 drilling engineering, well site leader roles, auditing (ph) and
5 HSE management positions. I have worked in most areas of
6 Alaska, I've also worked in the Rocky Mountains and I've had
7 temporary assignments overseas. I hold undergraduate degrees
8 in civil engineering and environmental engineering.

9 CHAIRMAN SEAMOUNT: Any questions, any.....

10 COMMISSIONER NORMAN: No questions, just a short comment.
11 Most of you are very well known to this Commission, most of you
12 have stated your qualifications previously, but occasionally
13 it's necessary -- many years later we find ourselves going back
14 and reading a record leading up to adoption of legislation or
15 regulations. Long after the people are gone that may even know
16 you, others may read this and so that's why we do need to
17 observe the formality of putting you through the inconvenience
18 of having to state what we're probably already very familiar
19 with. But that way it's spread on the record in -- for
20 posterity and years from now people will know the basis of your
21 experience when you speak.

22 COMMISSIONER FOERSTER: Well, and some of us, not John,
23 but some of the others of us are getting old and forget you.

24 CHAIRMAN SEAMOUNT: Well, I know that other states do it
25 differently. For example Utah, once you're designated an

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1 expert witness you're an expert for life and you just mention
2 that in the hearing. So, I don't know, maybe we should think
3 about that in order to make the proceedings move along faster.

4 Does anybody have any objection to Mr. Engel being
5 considered as an expert witness?

6 COMMISSIONER FOERSTER: No.

7 CHAIRMAN SEAMOUNT: That was very impressive experience,
8 Mr. Engel, please proceed.

9 MR. ENGEL: Thank you. Well, Kara Moriarty will open up
10 with some comments form AOGA.

11 MS. MORIARTY: Thank you, Commissioner. For the record my
12 name is Kara Moriarty, my last name is spelled M-o-r-i-a-r-t-y,
13 and I'm here as the deputy director of the Alaska Oil & Gas
14 Association and we appreciate the opportunity to testify today.

15 The 17 members of AOGA account for the majority of oil and
16 gas exploration, development, production, transportation,
17 refining and marketing activities in the state. We support the
18 spirit of the proposed changes to the suspended well
19 regulations and agree a requirement for periodic review and
20 site inspection is reasonable. However we do have specific
21 comments regarding the details contained in the proposed
22 language and are concerned about the elimination of various
23 provisions in the current regulation.

24 In addition to this cover letter, you -- that I'm reading
25 for you today, you will find two different attachments. One is

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1 a chart that contains the proposed regulation in one column,
2 our specific comment on that regulation in the middle column
3 and on the far right column is proposed language for you to
4 consider. The other attachment is a proposed redline of the
5 regulations that contain our suggested language
6 recommendations.

7 The regulations should provide clear guidance for when
8 suspended well status is appropriate and under what
9 circumstances such well status will be approved, as well as
10 providing protection of confidential information.

11 The proposed regulations do not include the
12 confidentiality protections contained in the current
13 regulations at 20 AAC 25.110 section (c). We strongly suggest
14 that information concerning the completion of a well or
15 considered a trade secret continue to have that protection. We
16 believe the current protections are appropriate and necessary
17 and we recommend that you retain them.

18 The new work required by the proposed regulations will
19 require a significant effort by operators and by Commission
20 staff during the first year and during reauthorizations
21 following the effective date of the regulations. We recommend
22 for any wells suspended prior to January 1st, 2005, that the
23 inspection and application period be extended to 24 months.
24 This allows sufficient time for operators and the Commission
25 staff to plan and work together to coordinate site inspections

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1 and to prepare and process reapplications. We also suggest
2 adding an administrative approval section to allow the
3 Commission to deal with specific -- special situations.

4 These recommendations that I've outlined are general
5 comments. Harry -- Mr. Engel will go through them in more
6 detail, but we would like you to consider this communication
7 and the two attachments as part of the public record associated
8 with this subject.

9 So again thank you for the opportunity to give some
10 general comments about the proposed regulations. I'm happy to
11 take any questions at this time and would turn it over to Mr.
12 Engel to walk through the specific recommendations.

13 CHAIRMAN SEAMOUNT: Okay. We'll put this -- these
14 documents into the record. Do we need to vote on it or
15 anything?

16 COMMISSIONER NORMAN: You just ask if there's objection.

17 CHAIRMAN SEAMOUNT: Is this any objection to.....

18 COMMISSIONER NORMAN: No objection.

19 CHAIRMAN SEAMOUNT: Okay. These are admitted to the
20 record. Commissioner Norman, do you have any questions for Ms.
21 Moriarty?

22 COMMISSIONER NORMAN: I have -- no.

23 CHAIRMAN SEAMOUNT: Commissioner Foerster?

24 COMMISSIONER FOERSTER: No.

25 CHAIRMAN SEAMOUNT: Okay. Thank you, Ms. Moriarty. Mr.

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1 Engel?

2 MR. ENGEL: Good morning, Commissioners Norman, Seamount
3 and Foerster. First I'd like to open up by acknowledging the
4 AOGCC's technical staff including Steve Davies, Tom Maunder and
5 Jane Williamson, for providing the industry with background and
6 intent content with regard to the development of the proposed
7 regulations. It helped us to understand the Commission's
8 desires and their needs for these requirements. So that was a
9 good job by the staff here at the Commission, we appreciate
10 that.

11 My approach this morning is going to be following through
12 the documents that Kara mentioned a moment ago and I'm going to
13 be looking or referencing the document with three columns that
14 are presented vertically. On the left of that document are the
15 proposed regulations from the Commission, in the middle are
16 AOGA's comments and then on the far right are the proposed
17 language from AOGA. So what I'll do is I'll make comment from
18 the middle column and I'm going to reference the regulations.
19 I'm not -- the proposed regulations from AOGA. I'm not going
20 to go through and read those, just to make it more efficient
21 for our time this morning, you have that in front of you in
22 written format. And as I go through it I would address any
23 questions along the way so, please, feel free to stop me and
24 ask any questions about our comments and our proposed draft of
25 the regulation.

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1 I'll start with -- from the beginning and it's section
2 (a). Section (a) of the proposed regulation addresses the
3 application process to suspend a well in Alaska. The statement
4 included in the proposed language quote, unless abandonment is
5 required under 20 AAC 25.105, is unclear since that -- in other
6 regulations in 25.105 in (b) through (d) a well must be
7 abandoned unless it is suspended.

8 So we suggest that the existing introductory phrase in 20
9 AAC 25.110(a) and that reads, if allowed under 20 AAC 25.105
10 rather than unless abandonment is required under 20 AAC 25.105.
11 We feel that makes it more clear for operators to understand
12 the intent.

13 And also under (a), the current regulations that are in
14 place contain specific reasons and criteria for the Commission
15 to use when granting suspended well status. The proposed
16 regulations lose that clarity by removing those requirements
17 and criteria by providing no guidance for circumstances under
18 which suspension in well status may be granted. So we
19 recommend that the -- we recommend retaining the current
20 criteria in 20 AAC 25.110(a). Are there any questions?

21 COMMISSIONER FOERSTER: Can I ask a question?

22 MR. ENGEL: Yes, Commissioner Foerster.

23 COMMISSIONER FOERSTER: Okay. In your proposed
24 regulations you use a very powerful verb, will. And how do you
25 feel about an equally, but differently powerful verb, may, in

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1 that -- in place of that. The Commission will upon application
2 approve the suspension of the well, replace will with may. And
3 the reason I'm saying that is because will says that it's going
4 to happen.....

5 MR. ENGEL: Uh-huh.

6 COMMISSIONER FOERSTER:and may says that we will use
7 our.....

8 MR. ENGEL: Discretion.

9 COMMISSIONER FOERSTER:discretion given other
10 factors that are present.....

11 MR. ENGEL: Uh-huh.

12 COMMISSIONER FOERSTER:and need to be considered.
13 So has AOGA considered the word may instead of the word will?

14 MR. ENGEL: I don't think we addressed that specifically,
15 Commissioner Foerster, but I don't really see a
16 significant.....

17 MS. MORIARTY: I think -- this is Kara Moriarty. I think
18 what we did is we just used the language that is.....

19 MR. ENGEL: Currently in.

20 MS. MORIARTY:currently in regulation. And that's
21 what is in regulation because our main concern was that this
22 criteria -- that there be some basis of criteria in the
23 regulation that the Commission would base the suspension upon.

24 COMMISSIONER FOERSTER: Right. And I think one of the
25 reasons we took it out was because of the word will and we

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1 wanted to have the latitude to determine whether other
2 situations that might be going on with the well, the operator,
3 the state, the location, warranted something else. But the
4 word will is kind of a hairball that I don't like.

5 MR. ENGEL: Okay. Okay. Moving on to section (b).
6 Section (b) in the proposed regulations addresses details
7 required for an application to suspend a well. And our
8 comments include a decision to suspend a well may not
9 necessarily be a change to an approved program such as
10 referenced in 20 AAC 25.507. An example of that would be if an
11 operator drilled an exploratory well under an approved permit
12 to drill and subsequent to drilling it an operator decided to
13 suspend it, it wouldn't be under a change of approval, it may
14 be under a 10.403 or sundry application. So we feel that
15 wouldn't be the case in that example I just noticed. And also
16 we believe that providing oral approval is appropriate for
17 these regulations.

18 So we recommend the reference to 25.507 be removed and
19 specific language be included in this section such as that
20 found in 25.015(b)(2). And it says in cases where a prompt
21 approval is needed oral approval may be requested from the
22 Commission. If oral approval is obtained from the Commission,
23 the name of the representative of the Commission who approved
24 oral approval and the date of approval must be included on the
25 application for sundry approvals which must be submitted within

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1 three days for final approval by the Commission.

2 Are there any questions about our comments on (b) at this
3 point? Okay.

4 I'll move along to section (c). Section (c) addresses
5 plugging all hydrocarbon bearing zones in a suspended well.
6 The reference 20 AAC 25.112(c)(1) is incomplete since it is
7 specific to cased and perforated wells. The reference should
8 be broadened to account for uncased sections of a wellbore such
9 as requirements of 20 AAC 25.112, minus provisions of
10 subsection (d).

11 If there are no questions I'll move along to (d). Section
12 (d) addresses maintaining the integrity of a suspended well
13 location. And AOGA does not have any comments on this section
14 of the proposed regulations.

15 Section (e) addresses the period a suspension is valid for
16 approvals granted after the effective date of the proposed
17 regulations. The phrase in this section quote, until the
18 reason for granting the suspension unquote, we feel is vague.
19 There are multiple reasons why a suspension was granted. If
20 there are multiple reasons why a suspension was granted, is the
21 suspension no longer valid if only one of these reasons is no
22 longer valid. The smaller phrase quote, is no longer valid
23 unquote, is also problematic because of the subjective nature.
24 Reasonable minds may differ regarding when a reason for
25 suspension is no longer valid.

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1 It is important to be able to clearly identify when, for
2 purposes of enforcement, the Commission considers a reason to
3 be no longer valid such as notice from the Commission. Without
4 clear identification of when a reason is no longer valid
5 operators risk being out of compliance with the regulation.....

6 COMMISSIONER FOERSTER: Uh-huh.

7 MR. ENGEL:even if they might otherwise have
8 reasonable bases to think that the reason for suspension is
9 still valid. This proposed regulation would also result in an
10 immediate violation without an opportunity for the operator to
11 provide information to the Commission to demonstrate that such
12 reason for suspension is still valid.

13 CHAIRMAN SEAMOUNT: Go ahead, Commissioner Norman.

14 COMMISSIONER NORMAN: Doesn't -- this is regarding the
15 concern that -- of the reason for granting a suspension may be
16 vague. If we go back -- if we look on page 1 which is --
17 continues the wording of the existing regulation under
18 subsection (2), the operator will justify to the Commission why
19 the well should not be abandoned and then it will set forth
20 reasons. So doesn't that provide specific reasons why this
21 well is being suspended as opposed to.....

22 MR. ENGEL: Yes, could you.....

23 COMMISSIONER NORMAN: Let me ask that again.

24 MR. ENGEL:point me where you're looking at,
25 Commissioner.....

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COMMISSIONER NORMAN: Sure.

MR. ENGEL:which page you're on?

COMMISSIONER NORMAN: Yes, I'm on the first page of your presentation here.....

MR. ENGEL: Yes.

COMMISSIONER NORMAN:and I'm looking at the right-hand column and I'm looking at subsection (a)(2) and there is a reference there about operator justifying to the Commission why the well shouldn't be abandoned if not completed. And why it -- and sufficient reasons would include (a), (b), (c), et cetera.

MR. ENGEL: Yes.

COMMISSIONER NORMAN: So those are specific reasons why the well is in a suspended category?

MR. ENGEL: Correct.

COMMISSIONER NORMAN: So where would the vagueness be then?

MR. ENGEL: And we're on section.....

COMMISSIONER NORMAN: Am I -- oh, go ahead. I.....

MR. ENGEL: Okay. I was referring to section (e) which addresses the period for how long a suspension is valid. And the question was -- the issue we're talking about here is in the proposed regulation the phrase until the reason for granting the suspension is no longer valid. And we felt that the operator may not understand or the Commission may provide

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1 -- pardon me. The vagueness is around the operator may not
2 have information to know that the suspension may be invalid.
3 And without knowing that information there could be a case of
4 -- say there was conditions that happened around a site, say in
5 the peninsula, for example, a road was put in that may change
6 the ability for that well to be suspended. The operator may
7 not be aware of that and it may influence the suspended status
8 down the road. And the Commission wouldn't have information
9 about that change -- or the operator.

10 MS. MORIARTY: And I think part of the reason -- this is
11 Kara Moriarty again, Commissioner Norman, is that, you know,
12 our fear is if you don't adopt our suggested language and the
13 criteria for suspension isn't put back in, we -- the operator
14 may not know what the Commission based your -- the reason for
15 suspension on. And if we also look at what we're recommending
16 is that if you decide that a reason is no longer valid we're
17 asking that the Commission notify the operator and give the
18 operator 60 days to respond back to the Commission as to -- you
19 know, address your concerns or a plan or some rationale why we
20 think that the well should still be suspended. Does that help
21 clarify our concern?

22 COMMISSIONER NORMAN: Yes. Yes, thank you for that
23 clarification.

24 COMMISSIONER FOERSTER: I have a question on this. The --
25 your proposed wording puts all the responsibility on the

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1 Commission for changing the status of a suspended well. But
2 there is more likelihood that conditions will change than the
3 operator and not.....

4 MR. ENGEL: Right.

5 COMMISSIONER FOERSTER:the Commission is aware of.
6 So where is the responsibility for the operator to notice a
7 change and ask for a.....

8 MR. ENGEL: Right. Right.

9 COMMISSIONER FOERSTER:change in status?

10 MR. ENGEL: I think the way the regulations are currently
11 formulated on the five year inspection period, five year and 10
12 year reapplication, the operator would know by evaluation of
13 the wellbore conditions and future utility of the wellbore if
14 there were reasons to change that suspended status. So we
15 would know that and commit that -- submit that to the
16 Commission for consideration.

17 COMMISSIONER FOERSTER: So the operator's only going to
18 look at the well once every five years and make a determination
19 on whether it should stay suspended or not?

20 MR. ENGEL: Well, the current regulations call for a five
21 year -- a five year inspection. Some operators may choose to
22 do it more frequent than that and evaluate the well's utility
23 based on -- could be the need for a sidetrack or a change in
24 status to make an injection well, for example, a disposal well.
25 So I think operators may choose to look at that well on a more

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1 frequent basis for utility purposes.

2 Okay. I'll move on to section (f). And section (f)
3 addresses site inspection for any well suspended on or after
4 the effective date of the proposed regulations.

5 The requirement for a suspended well inspection within 12
6 months could result in the Commission being called to sites
7 multiple times in the first year to witness setting and
8 verifying the plugs, site clearance and to satisfy this
9 requirement. The 10 day notice requirement will hamper
10 efficient planning and field activities. The proposed safety
11 valve system regulations require 48 hours notice of testing for
12 remote locations. So we recommend changing the 10 day notice
13 to 48 hours.

14 Also as currently written wells suspended in 2008 or 2009
15 would require subsequent inspection in 2010. Such immediate
16 follow-up inspections for newly suspended wells may be
17 unnecessary. We recommend that the first cycle of five year
18 inspections required by this section should begin in 2015.

19 We are also recommending some flexibility in inspections
20 to allow for unpredictable conditions that may occur for the
21 inspection site.

22 COMMISSIONER FOERSTER: Could you explain to me how longer
23 notice would hamper efficient planning of field activities?

24 MR. ENGEL: Commissioner Foerster, it could be around -- a
25 lot of these sites are remote and requiring helicopter planning

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1 and scheduling. And it may hamper the ability to get equipment
2 and transportation to a site. So we would like the ability to
3 plan it and then give a notice that would allow for a more
4 efficient use of our planning time to get to a site and do the
5 inspection.

6 COMMISSIONER FOERSTER: Okay.

7 MR. ENGEL: For the -- we did reference the 48 hour note
8 -- requirement for inspecting SVS systems. And.....

9 COMMISSIONER FOERSTER: Right. Well, safety valve system
10 tends to be in places that are easier to get to and, you know,
11 with five inspectors, it -- there are, what were your words,
12 efficient planning issues for us as well that push for a longer
13 notification period.....

14 MR. ENGEL: Right.

15 COMMISSIONER FOERSTER:especially in remote
16 locations.

17 MR. ENGEL: And this could be a challenge for both the
18 Commission and operators as we move into these regulations, the
19 manpower requirements to.....

20 COMMISSIONER FOERSTER: Right.

21 MR. ENGEL:complete the inspections.

22 COMMISSIONER FOERSTER: Right.

23 COMMISSIONER NORMAN: Mr. Engel, one overall factor that
24 the Commission like other agencies is required to consider in
25 changing or promulgating new regulations is cost of compliance

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1 to.....

2 MR. ENGEL: Yes.

3 COMMISSIONER NORMAN:the operators. So if you as
4 you go through the testimony -- I'm -- when you use the terms
5 less efficient, multiple visits, et cetera, if you intend to
6 say and this will increase the cost then it would be helpful to
7 have you specifically indicate so we can determine if we are,
8 in fact, imposing greater costs on operators by virtue of doing
9 this.

10 MR. ENGEL: Okay.

11 COMMISSIONER NORMAN: If we do then we have to balance
12 that.

13 MR. ENGEL: Thank you, Commissioner. The next section is
14 (g). And this section addresses site inspections for any well
15 suspended prior to the effective date of the proposed
16 regulations. Most suspended wells in the state were suspended
17 prior to 2005, we believe. The requirement for site
18 inspections and reapplication for suspended well status within
19 the first year will require significant effort by operators and
20 the Commission staff. Most sites are best visited in the
21 summer months. Depending upon when the regulations become
22 effective, the planning and logistics required may be difficult
23 during the first year. We recommend the one year period be
24 extended to two years to allow efficient planning and adding a
25 provision for an alternate schedule as authorized by the

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1 Commission.

2 Of note section (g), there is no recognition of possible
3 offshore suspended wells as defined or as noted in 25.105(c).
4 And that section is the section around plugging and abandoning
5 of wells.

6 We also believe a provision should be added to allow
7 continued suspended status until there is an action by the
8 Commission on reapplication of suspended status.

9 COMMISSIONER FOERSTER: I have a question.

10 MR. ENGEL: Yes.

11 COMMISSIONER FOERSTER: If we extended it to two years
12 what -- and use your wording, what would prevent all the
13 operators from waiting 21 months to start the process? Do you
14 see what I'm asking?

15 MR. ENGEL: The intent for our comments, Commissioner, was
16 to allow more time for an operator to plan their business and
17 do it in a more structured approach and not wait to the last
18 moment to do it.

19 COMMISSIONER FOERSTER: But there's nothing in here that
20 would drive to that end. If we say you've got two years to do
21 it there's nothing in this wording that would preclude everyone
22 from waiting until 23 months?

23 MR. ENGEL: No, we didn't put that inside there.

24 COMMISSIONER FOERSTER: Okay.

25 MS. MORIARTY: And, Commissioner, this is Kara Moriarty

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1 again, you're correct, there's nothing that -- in the language
2 that would preclude an operator to wait, but based on an
3 operator's budgeting practices they wouldn't want to do that
4 anyway.

5 And the reason that we ask for two years is we were just
6 thinking about when the regulations were adopted, we're just
7 doing some hypotheticals, if they were adopted in November you
8 have a year. Well, you may not get to everything in that
9 winter -- in that winter season for some of these remote sites.
10 So it really was to allow better time for everybody because
11 they don't -- the operators don't want to do all of them.....

12 COMMISSIONER FOERSTER: Sure.

13 MS. MORIARTY:in one month. So they.....

14 COMMISSIONER FOERSTER: But -- yeah. I understand the
15 intent, but you need to make your words fit your intent. And I
16 would argue that it is in the operator's budgetary interest to
17 delay costs that bring him no extra oil until as late as
18 possible.

19 MR. ENGEL: The next section is (h) and it addresses
20 reporting requirements for the section and AOGA has no comments
21 on this section.

22 The next section is (i) and this addresses failure to
23 satisfy requirements of these proposed regulations. And AOGA
24 recommends this section be deleted. And the reason for that is
25 that we believe that 20 AAC 25.535 already allows the

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1 Commission in its discretion to take enforcement action,
2 including ordering corrective action or remedial work against a
3 person who has violated or failed to comply with a provision of
4 Alaska Statute 31.05 or 25 -- or Chapter 25 of Title 20 of the
5 Alaska Administrative Code including requirements of 20 AAC
6 25.526.

7 Also in 20 AAC 25.539 it already authorizes the Commission
8 to issue a temporary emergency order without hearing if
9 necessary to protect against immediate public -- harm to public
10 health or safety.

11 We believe the proposed regulation is unnecessary because
12 it is duplicative of existing regulations and because the
13 proposed regulations lack important due process regarding
14 safeguards that are contained in existing regulation.

15 We believe the section is unclear and subject to
16 interpretation. Who will make this determination of when --
17 and when; the phrase criterion we feel is vague. At the moment
18 we would recommend replacing the word criterion with
19 requirement. The current regulations contain specific reasons
20 and criteria for the Commission to use when granting suspended
21 well status. The proposed changes have lost clarity by
22 removing those requirements and criteria.

23 There are two additional sections that AOGA is
24 recommending be included in the regulations. And on page 7 of
25 our document it would be a new section (i). And this is adding

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1 a section addressing administrative approval to allow the
2 Commission to deal with special situation on a case by case
3 basis. We've included proposed language in the document on
4 page 7.

5 And the last comment we have is regarding the -- it's
6 regarding confidentiality protections currently in the
7 regulations that are in effect today. And the proposed
8 regulations do not contain confidentiality protections that are
9 currently in 25.110(c). So we strongly recommend that
10 information concerning the completion of a well or information
11 considered a trade secret continue to have protection in the
12 regulations.

13 And that concludes our comments this morning. I'd be
14 happy to take any questions you may have regarding our
15 comments.

16 CHAIRMAN SEAMOUNT: Any questions or comments,
17 Commissioner Norman?

18 COMMISSIONER NORMAN: No, I think this -- to me at least
19 is very well organized and easy to follow and you've answered
20 the questions that I did have. Thank you.

21 CHAIRMAN SEAMOUNT: Commissioner Foerster?

22 COMMISSIONER FOERSTER: I have one. Mr. Engel, do you
23 think that the proposed regulations adequately protect future
24 utility?

25 MR. ENGEL: Yes, I think it gives the operators sufficient

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1 and ample time to evaluate the well and to consider
2 utility.....

3 COMMISSIONER FOERSTER: Okay.

4 MR. ENGEL:options like sidetracking or other
5 potential uses for the well. I don't think that hampers the
6 operator.....

7 COMMISSIONER FOERSTER: Okay.

8 MR. ENGEL:with that regard.

9 COMMISSIONER FOERSTER: Okay. That was my only question.

10 MS. MORIARTY: Commissioner Seamount, I just would like to
11 add, this is Kara Moriarty again, Harry chairs our task force
12 and he does work for a major North Slope operator, but I just
13 wanted to add that during our process that we had internally at
14 AOGA, we did have very active participation from Cook Inlet
15 operators such as Chevron and Marathon and there's a
16 representative from Marathon in the audience today. And I just
17 wanted you to know we did really talk about these regulations
18 in the context of both North Slope operations and Cook Inlet.

19 CHAIRMAN SEAMOUNT: Okay. Thank you, Ms. Moriarty and Mr.
20 Engel. And I ask that you remain until the end of the hearing
21 in case we have additional questions.

22 MR. ENGEL: Thank you.

23 CHAIRMAN SEAMOUNT: Thank you.

24 COMMISSIONER NORMAN: Could I ask Ms. Moriarty just one
25 question?

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1 CHAIRMAN SEAMOUNT: Yes.

2 COMMISSIONER NORMAN: Just following up on your comment
3 for our information without naming operators, but does this
4 pretty much reflect the consensus of all members.....

5 MS. MORIARTY: Yes.

6 COMMISSIONER NORMAN:or is it a majority, minority?

7 MS. MORIARTY: Commissioner Norman, thank you for that
8 question. It does represent a unanimous consent of all the
9 AOGA members.

10 COMMISSIONER NORMAN: Thank you.

11 CHAIRMAN SEAMOUNT: Okay. I -- we have one more person to
12 testify on the sign in sheet. I'll ask later if anybody else
13 wants to testify, but that would be Randall Kanady from
14 ConocoPhillips. Welcome, Mr. Kanady.

15 MR. KANADY: That you, Commissioner Seamont.

16 CHAIRMAN SEAMOUNT: Would you like to be considered an
17 expert witness?

18 MR. KANADY: Yes, I would.

19 CHAIRMAN SEAMOUNT: Okay. Please state your name, what is
20 the subject of your expert testimony and what is your
21 qualifications?

22 MR. KANADY: My name is Randall Kanady, I've an
23 undergraduate degree in petroleum engineering and a master's in
24 environmental engineering and I have over 20 years of
25 experience in the state of Alaska in the oil and gas industry

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1 both in production, operation, engineering, HSE and drilling.
2 I'm a registered petroleum engineering -- engineer with the
3 state of Alaska.

4 CHAIRMAN SEAMOUNT: Do any of the Commissioners not want
5 to consider Mr. Kanady an expert witness for any reason?

6 COMMISSIONER NORMAN: I have no objection.

7 COMMISSIONER FOERSTER: I have no objections.

8 CHAIRMAN SEAMOUNT: You are classified an expert witness.

9 MR. KANADY: Thank you, Commissioner Seamount. I'd like
10 to submit to the Commission ConocoPhillips' comments on the
11 proposed regulations, 20 AAC 25.110. Unfortunately we didn't
12 get these to you, here's the official signed copy.

13 COMMISSIONER FOERSTER: Thank you.

14 CHAIRMAN SEAMOUNT: Does anybody -- do either of the
15 Commissioners have any objection to submitting this for the
16 record?

17 COMMISSIONER FOERSTER: No.

18 COMMISSIONER NORMAN: No objection.

19 CHAIRMAN SEAMOUNT: Okay. So submitted to the record is
20 five page comments with a cover letter from ConocoPhillips
21 dated February 28th, 2008.

22 MR. KANADY: ConocoPhillips appreciates the opportunity to
23 provide input to the proposed revisions to 20 AAC 25.110,
24 regulations addressing suspended wells. There are several
25 issues that we would like to bring to the Commission's

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1 attention and are covered in our -- in Conoco's submittal on 20
2 AAC 25.110 which we submitted today.

3 ConocoPhillips has formulated a revised version of the
4 proposed regulations that reflects the suggestions and proposed
5 changes discussed in our written comments. And the submittal
6 has two attachments, the first attachment is our comments in
7 regards to attachment two which is our proposed revisions to
8 the suspended well regulations.

9 In several instances our proposed changes reflect what we
10 understand to be the Commission's intent, but offers suggested
11 language changes to more clearly convey that -- convey that
12 intent.

13 ConocoPhillips has three major areas of concern with the
14 proposed regulations, the first being there's -- we feel there
15 needs to be clarifications of standards for when a well can be
16 suspended; the second being that AOGA [sic] provide a notice
17 and hearing if the status of a well is changed from suspended
18 status to P&A -- requiring a P&A; and the third major concern
19 we have is allowing flexibility to keep well information
20 confidential upon request. And I'd like to highlight these and
21 other ConocoPhillips' areas of concern.

22 So specifically moving into the first section, 20 AAC
23 25.110 subsection (a). The AOGCC's proposed revisions to
24 subsection (a) would remove all standards from determination as
25 to whether appropriate grounds for a well suspension exist. By

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1 relying on demonstration quote, to the Commission's
2 satisfaction unquote, for such determinations, all such
3 determinations become subjective and there will be no guard
4 against uneven standards being applied from operator to
5 operator and from one panel of commissioners to the next.

6 ConocoPhillips is not aware of and the Commission has not
7 expressed any dissatisfaction with the adverse results from the
8 current list of standards in existing regulations of subsection
9 (a) for determining whether a well suspension should be
10 granted. Therefore ConocoPhillips is proposing that AOGCC
11 maintain the standards that are currently used in 20 AAC
12 25.110(a). Is there any questions?

13 COMMISSIONER FOERSTER: This is a similar comment to the
14 AOGA comment.....

15 MR. KANADY: Uh-huh.

16 COMMISSIONER FOERSTER:provided earlier? Okay.

17 MR. KANADY: Moving on to proposed subsection (c). This
18 section under the current regulation allows that certain well
19 information be kept confidential upon request and approval.
20 ConocoPhillips requests that the language providing for certain
21 information about the basis for the request for suspension be
22 held as confidential information, be retained in the
23 regulations. That language could be moved to the end of the
24 proposed regulations section as a new section, subsection (k),
25 as detailed in ConocoPhillips' submittal. And that's under

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1 attachment two, subsection (k) is the last section.

2 COMMISSIONER NORMAN: Mr. Kanady, there currently is -- as
3 you're probably aware there are currently general provisions
4 for confidentiality that cover broadly the whole area. One
5 area -- one statute is 31.05.035 that provides for
6 confidentiality of information and the other being in the
7 regulations, 20 AAC 25.537. So the question for you is would
8 those -- are those adequate now and do we -- do we need this
9 additional specific provision here?

10 And you could respond to that later, I don't mean that
11 you've got to respond on the fly now, but it's a question that
12 we have as to whether that's really necessary in this specific
13 section of the regulations.

14 MR. KANADY: Commissioner Norman, I guess our point is is
15 that under the suspended well regulations if we include the
16 standards and we specifically list in subsection (k) that those
17 standards be held confidential if we request it and I guess
18 that's the unique piece of it.

19 COMMISSIONER NORMAN: Okay. All right.

20 MR. KANADY: Moving on to subsection (e). ConocoPhillips
21 suggests that the wording be changed in the proposed
22 regulations to provide that a suspension quote, will be valid
23 for 10 years unless terminated sooner due to change in
24 conditions as provided in subsection (j) below, this is our
25 proposed subsection (j), unquote. Followed by a provision

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1 requiring updates to be filed if the operator becomes aware of
2 changes, and this is a new subsection (i) in ConocoPhillips'
3 submittal, and a provision providing for Commission review of
4 new information to determine if the suspension should be
5 terminated after notice and after a hearing. And that's the
6 intent of the new subsection (j).

7 COMMISSIONER FOERSTER: So the subsection (i) kind of
8 addresses the question that I asked earlier of Mr. Engel, where
9 is the responsibility of the operator to notice the change and
10 do something about it?

11 MR. KANADY: Yes, in subsection (i) if an operator.....

12 COMMISSIONER FOERSTER: Yeah.

13 MR. KANADY:the way the current -- our current
14 proposal is, if we become aware of new information then we
15 submit it to the Commission.

16 COMMISSIONER FOERSTER: Okay. Thank you.

17 MR. KANADY: Next I'd like to comment on our --
18 ConocoPhillips' proposed subsection (i) and (j). This is a new
19 section that we're proposing.

20 ConocoPhillips suggests that the proposed language be
21 clarified to provide that operators notify the Commission if
22 the operator knows of changes or new information and if the
23 Commission receives new information on a suspended well at any
24 time then the Commission may, after notice and an opportunity
25 to be heard, order a suspension terminated and require that the

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1 well be plugged and abandoned. And we reference the new
2 section (i) and (j) in our submittal.

3 COMMISSIONER FOERSTER: Uh-huh.

4 MR. KANADY: Are there any questions? And finally new
5 subsection (k) and this is the confidentiality section. As
6 mentioned above ConocoPhillips requests that the language
7 providing for certain information about the basis for the
8 request of suspension be held confidential, be retained in the
9 new regulations. The language could be moved to the end of the
10 regulation section as a new subsection (k). Are there any
11 questions?

12 CHAIRMAN SEAMOUNT: Questions?

13 COMMISSIONER NORMAN: No questions.

14 MR. KANADY: Okay. Considering the magnitude of the
15 proposed changes, the extensive comments that -- provided in
16 ConocoPhillips' comments as well as AOGA's comments and the
17 potential impacts to the operators, ConocoPhillips requests
18 that the Commission allow industry to comment on the
19 Commission's final version of draft regulations 20 AAC 25.110,
20 prior to submittal to the attorney general's office.

21 Again thank you.....

22 COMMISSIONER FOERSTER: You sure you don't want us just to
23 surprise you?

24 MR. KANADY: Well, no. Again thank you for the
25 opportunity to comment upon these proposed regulations and we'd

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1 be happy to discuss with AOGCC staff these comments at any
2 time.

3 COMMISSIONER NORMAN: I have one last question of Mr.
4 Kanady, Mr. Chairman.

5 CHAIRMAN SEAMOUNT: Go ahead, Commissioner Norman.

6 COMMISSIONER NORMAN: Are there any -- you listened to the
7 AOGA testimony and you've seen their's, and I didn't detect any
8 significant difference and I just want to make sure that my
9 following was correct, that there's no significant differences,
10 some subtleties there, but there's no significant difference?

11 MR. KANADY: I did not see any significant
12 differences.....

13 COMMISSIONER NORMAN: Good.

14 MR. KANADY:in the two testimonies. So I appreciate
15 your patience.

16 CHAIRMAN SEAMOUNT: Okay. Thank you, Mr. Kanady. All
17 right. Are there any others at this hearing that wish to
18 testify? Mr. White, do you wish to testify? Okay. Hearing
19 none, I'll.....

20 COMMISSIONER NORMAN: Mr. White, are you there on the
21 line?

22 COMMISSIONER FOERSTER: I think we lost him.

23 COMMISSIONER NORMAN: Mr. Chairman, why don't we get Jody
24 and just so that if he did we don't cut him off, we give him
25 the opportunity?

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1 CHAIRMAN SEAMOUNT: We will -- what we ought to do while
2 Ms. Colombie's messing with the phones is take a 10 minute
3 recess and we'll be back. Off the record.

4 (Off record)

5 (On record)

6 CHAIRMAN SEAMOUNT: Okay. While we recessed Ms. Colombie
7 checked to see if Mr. White was still on the phone, she called
8 him, and he said he did leave the hearing on purpose by hanging
9 up. That's just for the record.

10 Okay. Again I'm asking are there -- is there anyone else
11 in the public that would like to testify? Hearing none,
12 Commissioner Norman, do you have any comments?

13 COMMISSIONER NORMAN: I have nothing.

14 CHAIRMAN SEAMOUNT: Commissioner Foerster?

15 COMMISSIONER FOERSTER: Can I move that we adjourn?

16 CHAIRMAN SEAMOUNT: I meant to ask you first this time.
17 Next hearing you get to go first.

18 COMMISSIONER FOERSTER: Age before beauty off the record.

19 CHAIRMAN SEAMOUNT: Fair enough. Okay. We'd like to
20 thank you for your testimony, very good from both parties.

21 What we're going to do is come out with a -- staff's going
22 to come out with a revised -- AOGCC staff is going to come out
23 with revised regulations -- revised proposed regulations. And
24 then we'll re-notice for a new hearing. With that I think it's
25 appropriate to adjourn.

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COMMISSIONER NORMAN: Move to adjourn.

COMMISSIONER FOERSTER: Second.

CHAIRMAN SEAMOUNT: We're adjourned.

(Recessed - 10:10 o'clock a.m.)

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Suggested Requirements for Status Reports on Suspended Wells

Problem

Well status reports for suspended wells provided to the Commission every five years are dissimilar in content and do not meet the intent of 20 AAC 25.110(e).

Proposed Solution

For any suspended well not on a pad with active operations, the operator should be required to provide proof of a summertime physical inspection that demonstrate no gaps in the integrity of the well or the well site every five years. Risks to public health, public safety and the environment are the main drivers for this proposed regulatory change.

Governing Regulations

20 AAC 25.110(e)

Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location, provide the commission with a well status report every five years, and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) [for onshore wells] or with 20 AAC 25.172(c)(2) or (d) [for offshore wells].

20 AAC 25.170

(a)(2) unless the operator demonstrates to the commission that the surface owner has authorized a different disposition to facilitate a genuine beneficial use, the operator shall

- (A) remove all materials, supplies, structures and installations from the location;
- (B) remove all loose debris for the location;
- (C) fill and grade all pits or close them in another manner approved by the commission as adequate to protect public health and safety; and
- (D) leave the location in a clean and graded condition.

(b) If a well described in (a) of this section is located on state or federal land, and if the agency acting on behalf of the state or federal government as lessor approves a disposition different from that required under (a)(2) of this section, the commission will accept that disposition instead of requiring the operator to comply with (a)(2) of this section.

Discussion

There are currently 122 Alaskan wells designated suspended under 20 AAC 25.110, and 41 of these have been suspended for more than 15 years. The intent of 20 AAC 25.110(e) is to minimize risk to public health, safety and the environment by requiring a report every five years that demonstrates the integrity of each suspended well and its surrounding location.

Commission senior staff has noted a non-compliance with the intent of 20 AAC 25.110(e) and dissimilar responses by operators when submitting well status reports for suspended wells every five years. We propose modifying Commission regulations to expand and standardize reporting requirements to better meet the intent of 20 AAC 25.110(e).

On April 3, 2005, the Commission sent a letter to each operator requesting a suspended well report, listing the governing regulation and requesting the report provide:

1. the current mechanical condition of the well, including the condition of installed tubing and casing strings;

2. the date the well was suspended and the circumstances surrounding the decision to suspend the well; and
3. an analysis of the future utility of the well.

Reports from operators varied in form and detail. Attached are two examples of reports filed (Attachments 1 and 2), with the operator information redacted from each. The differences between these reports and their degree of conformance to the intent of the Commission's regulation and letter of request demonstrate the need to standardize documentation to confirm the condition of each well and each drilling location. This is especially important for wells located off Alaska's road system, which are not readily accessible and, therefore, not visited regularly.

Recommendations

Commission senior staff proposes that, for every well not located on a well pad with ongoing operations, representatives from the operator and a Commission inspector visit the well and its location during the summer preceeding every fifth anniversary of the date each well was designated suspended. These representatives will inspect the wellhead and the surrounding location and record:

- A. the condition of the wellhead;
- B. the presence of any pressure on the wellhead (if gauges have been installed in the wellhead);
- C. the condition of the location including any fluid(s) or sheen(s) visible on the ground or in the surrounding waters; and
- D. photographs clearly showing the condition of the well head and the surrounding location.

The operator should then provide a summary report of the findings to the Commission. That report should include each of these items and the ones identified in the April 2005 letter (and which are noted above).

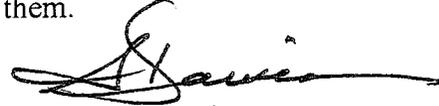
If a site visit was performed in advance of the suspended well reports filed in 2005, any information relating to a suspended well's condition should be submitted to the Commission with Form 10-404 within 60 days of the Commission's action on this recommendation.

Conclusions

Commission regulations should be modified to include standardized reporting with appropriate supporting documentation that will better meet the intent of 20 AAC 25.110(e). This will help the Commission ensure there are no problems or hazards associated with any suspended well.

Operators should be required to submit documentation of past site visits relating to the status of suspended wells and the integrity of locations surrounding them.


Tom Maunder, P.E.
Sr. Petroleum Engineer
June 26, 2007


Steve Davies
Sr. Petroleum Geologist

ATTACHMENT 1

Suspended Wells Report from Operator 1

Suspended Well Report								
wells on active pads							AOGCC	
							Suspension	
Well Name	Permit #	API Number	Well Status	Background	Mechanical Condition	Date	Future Utility	Notes
1	179-	50-029-2-00	Suspended	Exploration well. Well suspended Apr80. Reported as suspended on 1995 AOGCC report.	Top of cement at 60-ft. Apr85: Pressure tested to 500-psi 15min.	4/15/1980	None.	Well located on an active service pad
3	183-	50-029-2-00	Suspended	Suspended Dec83 with bridge plug in 2.875-in tubing, and 9.6-lb/gal brine and diesel freeze protect in 4.5-in x 2.875-in annulus and 9.625-in x 4.5-in annulus.	Apr85: Pressure test 13 3/8" - 9 5/8" annulus. Held 500-psi for 15-min. 9.625-in x 4.5-in Baker FHL packer	2/10/1983	Observation well and/or sidetrack candidate.	Well located on an active service pad
4	196-	50-029-2-00	Suspended	Drilled Mar96. Delineation well	10-407 7May98: Three cement plugs set. 11,800 to 12,500-ft MD, bridge plug + cement @ 4,200-ft, surface wiper plug 5-ft to 250-ft.	3/3/1996	None.	Well located on an active producing pad
2A	199-	50-029-2-01	Suspended	Mar01: Attempted coil tubing sidetrack. Well flowed and killed. Stuck pipe. Cut coil. Well suspended.	CIBP set at 8,770-ft MD. Displaced well to inhibited seawater and diesel freeze protect.	7/13/2003	Sidetrack candidate.	Well located on an active producing pad
6	185-	50-029-2-00	Suspended	Drilled Jun85. ESP failed Sep90. Free flowed until excess gas production necessitated suspension. ESP pulled and well suspended.	Two cement plugs set with EZSV retainers - 9700-ft with cement from 9,452 to 9,750-ft MD, and 10,014-ft with cement from 9,952 to 10,018-ft MD.	10/27/1993	Sidetrack candidate.	Well located on an active producing pad
5	196-	50-029-2-00	Suspended	Drilling operations suspended Mar96 after very poor 9.625-in surface cement job caused by hydrates. Estimated TOC @ 2,800-ft MD.	1) 9.625-in casing tested to 3,000-psi and float shoe with cement remains intact 2) mud and diesel in the casing exceeds 8.6-lb/gal BHP 3) dry hole tree tested to 5,000-psi.	3/23/1996	Sidetrack candidate.	Well located on an active producing pad

ATTACHMENT 2

Suspended Wells Report from Operator 2

<u>Well</u>	<u>Status</u>	<u>Date of Status</u>	<u>Future Plans</u>
[REDACTED]	P&A'd	11/27/2000	sidetracked [REDACTED]
	suspended	4/25/1994	plans to test further
	suspended	4/25/1994	plans to perf
	suspended	4/25/1994	waiting on test results
	suspended	6/29/1999	shut in, no oil prod.
		5/18/1982	renamed [REDACTED]
	suspended	4/27/2001	sidetrack in future
	suspended	12/18/2004	waiting to drill off-set wells
	P&A'd	8/8/1997	permanently abandoned
	suspended	4/5/2002	waiting on [REDACTED] development drilling
	suspended	3/17/2001	waiting on [REDACTED] development drilling
	P&A'd	4/22/2005	permanently abandoned
	suspended	4/5/1978	wellbore has utility for operations in the future
suspended	4/28/2001	development studies ongoing	
suspended	4/6/2001	development studies ongoing	
suspended	4/4/2001	development studies ongoing	
suspended	4/23/2004	development studies ongoing	
	suspended	3/28/2004	development studies ongoing
	suspended	4/11/2004	development studies ongoing
	suspended	4/3/1983	surface P&A operations being evaluated
	suspended	4/1/1976	surface P&A operations being evaluated
	suspended	4/22/1977	surface P&A operations being evaluated
	suspended	4/3/1984	surface P&A operations being evaluated
	suspended	5/15/1973	wellbore has utility for operations in the future
	suspended	5/15/1973	addressing options for well
	suspended	10/10/2003	waiting on seismic survey & development studies

Alaska Oil and Gas Association



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Email: moriarty@aoga.org
Kara Moriarty, Deputy Director

February 28, 2008

Commissioner Dan Seamont
Alaska Oil & Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, AK 99501

Re: Proposed Changes to 20 AAC 25.110 –
Suspended Wells

Dear Commissioner Seamont:

The 17 members of the Alaska Oil & Gas Association (AOGA) account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in the state. We appreciate the opportunity to comment on the proposed regulation changes to 20 AAC 25.110, suspended wells.

We support the spirit of the proposed changes to the suspended wells regulations, and agree that a requirement for periodic review and site inspection is reasonable. However, we have specific comments regarding the details contained in the proposed language and are concerned about the elimination of various provisions in the current regulation.

In addition to this cover letter, you will find two different attachments. One is a chart that contains the proposed regulation, our specific comment on that regulation, and proposed language for the Commission to consider. The other attachment is proposed redline of the regulations with our suggested language recommendations.

The regulations should provide clear guidance for when suspended well status is appropriate and under what circumstances such well status will be approved, as well as providing protection of confidential information.

The proposed regulations do not include the confidentiality protections contained in the current regulations 20 AAC 25.110(c). We strongly suggest that information concerning the completion

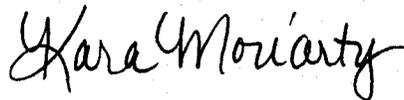
of a well or considered a trade secret continue to have that protection. We believe the current protections are appropriate and necessary and recommend retaining them.

The new work required by the proposed regulations will require a significant effort by operators and by commission staff during the first year and during reauthorizations following the effective date of the regulations. We recommend for any wells suspended prior to January 1, 2005, that the inspection and application period be extended to 24 months. This allows sufficient time for operators and the commission to plan and coordinate site inspections and to prepare and process reapplications. We also suggest adding an administrative approval section to allow the commission to deal with special situations.

Please consider this communication and the two attachments as part of the public record associated with this subject.

Again, thank you for the opportunity to comment upon these proposed regulations. We look forward to continuing to work cooperatively with the Commission on this effort. Please contact me or Harry Engel, chairman of our AOGCC task group, at 564-4194.

Sincerely,



KARA MORIARTY
Deputy Director

Attachments (2)

Cc: Commissioner John Norman
Commissioner Cathy Foerster

AOGA Specific Comments on Proposed 20 AAC 25.110: Suspended Wells

<u>Proposed Regulation</u>	<u>AOGA Comment</u>	<u>AOGA Proposed Regulations</u>
<p>(a) Unless abandonment is required under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The operator must demonstrate to the commission's satisfaction why the well should not be abandoned or completed.</p>	<p>The statement "unless abandonment is required under 20 AAC 25.105 is unclear since in 25.105(b)-(d) a well must be abandoned unless it is suspended. We suggest using the existing introductory phrase in the 20 AAC 25.110(a): "If allowed under 20 AAC 25.105," rather than "Unless abandonment is required under 20 AAC 25.105.</p> <p>Also, the current regulations contain specific reasons and criteria for the Commission to use when granting suspended well status. The proposed changes lose clarity by removing those requirements and criteria and providing no guidance for the circumstances under which suspended well status will be granted. We recommend retaining the current criteria in 20 AAC 25.110(a).</p>	<p>(a) If allowed under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The commission will, upon application by the operator under (b) of this section, approve the suspension of a well if</p> <p>(1) the well</p> <p>(A) encounters hydrocarbons of sufficient quality and quantity to indicate that the well is capable of producing in paying quantities, as reasonably demonstrated by well tests or interpretive formation evaluation data; for purposes of this paragraph, "paying quantities" means quantities sufficient to yield a return in excess of operating costs;</p> <p>(B) is a candidate for redrilling;</p> <p>(C) has potential value as a service well;</p> <p>or</p> <p>(D) is located on a pad or platform with active producing or service wells; and</p> <p>(2) the operator justifies to the commission's satisfaction why the well should not be abandoned, and if the well is not completed, why the well should not be completed; sufficient reasons include the</p> <p>(A) unavailability of surface production or transportation facilities;</p> <p>(B) imprudence of security maintenance of a completed well in a shut-in status;</p> <p>(C) need for pool delineation and evaluation to determine the prudence of pool development.</p>

<p>(b) An Application of Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include</p> <ol style="list-style-type: none">(1) the reason and supporting documentation for suspension;(2) well bore diagrams illustrating the current and proposed mechanical configurations of the well;(3) information on abnormally geo-pressured or depleted strata;(4) a description of the proposed work plan including how the integrity of existing and proposed plugs will be demonstrated; and <p>evidence that all fresh water and hydrocarbon resources are protected.</p>	<p>AOGA Comment: A decision to suspend a well may not necessarily be a change to an approved program, such as referenced in 20 AAC 25.507 (b). Providing for oral approval is appropriate. We recommend the reference to 25.507 be removed and specific language be included in this section such as found in 25.015(b)(2): "In cases where prompt approval is needed, oral approval may be requested from the commission; if oral approval is obtained from the commission, the name of the representative of the commission who provided oral approval and the date of the approval must be included on the Application for Sundry Approvals, which must be submitted within 3 days for final approval by the commission."</p>	<p>(b) An Application of Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed. In cases where prompt approval to suspend a well is needed, oral approval may be requested from the commission; if oral approval is obtained from the commission, the name of the representative of the commission who provided oral approval and the date of the approval must be included in the application for Sundry Approvals, which must be submitted within 3 days for final approval by the commission. The application must include</p> <ol style="list-style-type: none">(1) the reason and supporting documentation for suspension;(2) well bore diagrams illustrating the current and proposed mechanical configurations of the well;(3) information on abnormally geo-pressured or depleted strata;(4) a description of the proposed work plan including how the integrity of existing and proposed plugs will be demonstrated; and
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		(5) evidence that all fresh water and hydrocarbon resources are protected.
(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), unless otherwise authorized by the commission.	AOGA Comment: The reference 20 AAC 25.112(c)(1) is incomplete since it is specific to cased and perforated wells. The reference should be broadened to account for uncased sections of the well bore, such as the requirements of 20 AAC 25.112, minus the provisions of subsection (d).	(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112, except the requirements of 20 AAC 25.112(d) do not apply, unless otherwise authorized by the commission.
(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.	AOGA has no comment.	
(e) A suspension approved after the effective date of this section will be valid for no more than 10 years or until the reason for granting the suspension is no longer valid, whichever is earlier. Reauthorizations may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).	AOGA Comment: The phrase "until the reason for granting the suspension" is vague. There may be multiple reasons why a suspension was granted. If there are multiple reasons why a suspension was granted, is the suspension no longer valid if only one of those reasons is no longer valid? The smaller phrase "is no longer valid" is also problematic because of its subjective nature. Reasonable minds may differ regarding when a reason for suspension is "no longer valid." It is	(e) A suspension approved after the effective date of this section will be valid for no more than 10 years. Upon notification from the Commission that one or more of the reasons for suspension may no longer be valid the operator has 60 days to present a plan to address the Commission's concerns. Reauthorizations may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection

	<p>important to be able to clearly identify when, for purposes of enforcement, the Commission considers a reason to be “no longer valid,” such as a notice from the Commission. Without clear identification of when a reason is “no longer valid”, operators risk being out of compliance with the regulation, even if they might otherwise have a reasonable basis to think that the reason for suspension is still valid. This proposed regulation would also result in an immediate violation, without an opportunity for the Operator to provide information to the Commission to demonstrate that the reason for suspension is still valid.</p>	<p>(b)(1)-(5).</p>
<p>(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year of January 1 of every year ending in 0 or 5. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.</p>	<p>AOGA Comment: The requirement for a suspended well inspection within 12 months could result in the Commission called to the site multiple times in the first year to witness setting and verifying the plug, site clearance and to satisfy this requirement. The ten day notice requirement will hamper efficient planning of field activities. The proposed Safety Valve System regulations require 48 hours notice of testing for remote locations, so we recommend changing the ten day notice to 48 hours.</p>	<p>(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year prior or after January 1 of every year ending in 0 or 5, beginning in 2015. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of 48 hour notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the</p>

	<p>Also, as currently written, wells suspended in 2008 or 2009 would require a subsequent inspection in 2010. Such immediate follow up inspections for newly suspended wells may be unnecessary. We recommend that the first cycle of five year inspections required by this section should begin in 2015. We are also recommending for some flexibility in inspections to allow for unpredictable conditions.</p>	<p>operator on the inspection tour.</p>
<p>(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and re-apply for suspended status by filing an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:</p> <p>(1) within one year of the effective date of this section for any well suspended prior to January 1 2005; and</p> <p>(2) within 5 years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.</p>	<p>AOGA Comment: Most suspended wells in the state were suspended prior to 2005. The requirement for site inspection and re-application for suspended well status within the first year will require a significant effort by operators and by commission staff. Most sites are best visited in the summer year. Depending on when the regulations become effective, the planning and logistics required may be difficult during the first year. We recommend the 1 year period be extended to 2 years to allow efficient planning and adding a provision for an alternate schedule as authorized by the commission. There is no recognition of possible offshore suspended wells (25.105(c)). A provision should be added to allow continued suspended well status until there is action by the commission on the re-application.</p>	<p>(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and re-apply for suspended status by filing an Application for Sundry Approvals. Suspended status will continue until commission render decision. The application will contain the information required in subsection (b)(1)-(5) as follows:</p> <p>(1) within two years of the effective date of this section for any well suspended prior to January 1 2005; and</p> <p>(2) within 5 years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.</p>

<p>(h) within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:</p> <p>(1) a summary of any changes noted since the last report was filed;</p> <p>(2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;</p> <p>(3) well-head pressure readings</p> <p>(4) a description of the condition of the well head and surface location, including any fluid(s) or sheens(s) visible on the ground or in any surrounding water; and</p> <p>(5) photographs clearly showing the well head and surrounding location.</p>	<p>AOGA has no comment.</p>	
<p>(i) If any criterion within this section is not or ceases to be satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.</p>	<p>AOGA Comment: 20 AAC 25.535 already allows the commission, in its discretion, to take enforcement action, including ordering corrective action or remedial work, against a person who has violated or failed to comply with a provision of AS 31.05 or Chapter 25 of Title 20 of the Alaska Administrative Code (including the requirements of 20 AAC 25.526). Also, 20 AAC 25.539 already</p>	

	<p>authorizes the commission to to issue a temporary emergency order without a hearing if necessary to protect against immediate harm to public health or safety. We believe the proposed regulation is unnecessary because it is duplicative of existing regulations, and because the proposed regulation lacks important due process safeguards that are contained in the existing regulations.</p> <p>This section is unclear and subject to interpretation. Who will make this determination and when? The phrase "criterion" is vague. At a minimum, we would recommend replacing the word "criterion" with "requirement". The current regulations contain specific reasons and criteria for the Commission to use when granting suspended well status. The proposed changes have lost clarity by removing those requirements and criteria.</p>	
	<p>AOGA Comment: We suggest adding an administrative approval section to allow the commission to deal with special situations.</p>	<p>(i) The commission may administratively approve, in its discretion, a variance from the requirement of this section if the variance provides for at least equally effective plugging of the well and prevention of fluid movement into sources of hydrocarbons or freshwater.</p>
	<p>AOGA Comment: The proposed</p>	<p>(i) At the operator's request</p>

	<p>regulations do not include the confidentiality protections contained in the current regulations 25.110(c). We strongly suggest that information concerning the completion of a well or considered a trade secret continue to have that protection.</p>	<p>accompanying the submission, information submitted to show that the applicable criteria for well suspension under (a) of this section have been met will be kept confidential</p> <p>(1) for the period specified under AS 31.05.035(c), if the information is described in 20 AAC 25.071(b); or</p> <p>(2) for the time that the information has value as a trade secret, if the information is not described in 20 AAC 25.071(b) but is determined by the commission to constitute a trade secret under AS 45.50.940.</p>
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20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. ~~(a) Unless abandonment is required under 20 AAC 25.105 if~~
~~allowed under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for~~
suspension of a well. ~~The operator must demonstrate to the commission's satisfaction why the well~~
~~should not be abandoned or completed. The commission will, upon application by the operator under~~
~~(b) of this section, approve the suspension of a well if~~

(1) the well

(A) encounters hydrocarbons of sufficient quality and quantity to indicate that the
well is capable of producing in paying quantities, as reasonably demonstrated by well
tests or interpretive formation evaluation data; for purposes of this paragraph, "paying
quantities" means quantities sufficient to yield a return in excess of operating costs;

(B) is a candidate for redrilling;

(C) has potential value as a service well; or

(D) is located on a pad or platform with active producing or service wells; and

(2) the operator justifies to the commission's satisfaction why the well should not be
abandoned, and if the well is not completed, why the well should not be completed;
sufficient reasons include the

(A) unavailability of surface production or transportation facilities;

(B) imprudence of security maintenance of a completed well in a shut-in status;

(C) need for pool delineation and evaluation to determine the prudence of pool
development.

(b) An Application for Sundry approvals (Form 10-403) must be submitted to and approved by
the commission before plugging operations are begun in a well for which suspension is proposed, except

~~that oral approval may be requested under 20 AAC 25.507(b). In cases where prompt approval to~~
~~suspend a well is needed, oral approval may be requested from the commission; if oral approval is~~
~~obtained from the commission, the name of the representative of the commission who provided oral~~
~~approval and the date of the approval must be included in the application for Sundry Approvals, which~~
~~must be submitted within 3 days for final approval by the commission. The application must include~~

(1) the reason and supporting documentation for suspension;

**(2) wellbore diagrams illustrating the current and proposed mechanical configurations
of the well;**

(3) information on abnormally geo-pressured or depleted strata;

**(4) a description of the proposed work plan, including how the integrity of existing and
proposed plugs will be demonstrated; and**

(5) evidence that all freshwater and hydrocarbon resources are protected.

**(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must
be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), except the requirements of 20
AAC 25.112 (d) do not apply, unless otherwise authorized by the commission.**

**(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the
integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20
AAC 25.172(c)(2) or (d), as applicable.**

**(e) A suspension approved after the effective date of this section will be valid for no more than
10 years. Upon notification from the Commission that one or more of the reasons for suspension may
no longer be valid the operator has 60 days to present a plan to address the Commission's concerns. ~~or~~
~~until the reason for granting the suspension is no longer valid, whichever is earlier. Reauthorizations~~**

may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year ~~prior or after~~ of January 1 of every year ending in 0 or 5, beginning in 2015. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of ~~ten days~~ 48 hour notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and reapply for suspended status by filing an Application for Sundry Approvals. Suspended status will continue until commission renders decision. The application will ~~containing~~ the information required in subsection (b)(1)-(5) as follows:

(1) within ~~one-two~~ years of the effective date of this section for any well suspended prior to January 1, 2005; and

(2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

(h) Within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:

- (1) a summary of any changes noted since the last report was filed;
- (2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;
- (3) well-head pressure readings;

(4) a description of the condition of the well head and surface location, including any fluids(s) or sheen(s) visible on the ground or in any surrounding water; and

(5) photographs clearly showing the well head and the surrounding location.

~~(i) If any criterion within this section is not or ceases to be satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.~~

(i) The commission may administratively approve, in its discretion, a variance from the requirement of this section if the variance provides for at least equally effective plugging of the well and prevention of fluid movement into sources of hydrocarbons or freshwater.

(j) At the operator's request accompanying the submission, information submitted to show that the applicable criteria for well suspension under (a) of this section have been met will be kept confidential

(1) for the period specified under AS 31.05.035(c), if the information is described in 20 AAC 25.071(b); or

(2) for the time that the information has value as a trade secret, if the information is not described in 20 AAC 25.071(b) but is determined by the commission to constitute a trade secret under AS 45.50.940.



Erec S. Isaacson
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February 28, 2008

Mr. John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, Alaska 99501-3539

**Re: Comments of ConocoPhillips Alaska, Inc.
Proposed Regulation Changes to 20 AAC 25.110**

Dear Chairman Norman:

ConocoPhillips Alaska, Inc. (CPAI) appreciates the opportunity to provide input to the proposed revisions to 20 AAC 25.110 regulations addressing suspended wells. There are several issues that we would like to bring to your attention and that are discussed in CPAI's attached comments (Attachment 1). We have formulated a revised version of the proposed regulations (Attachment 2) that reflects the suggestions and proposed changes discussed in Attachment 1. In several instances, our proposed changes reflect what we understand to be the Commission's intent, but offer suggested language changes to more clearly convey that intent.

Considering the magnitude of the proposed changes, the extensive comments provided in this communication and potential impact to operators, CPAI requests that the Commission allow industry to comment on the Commission's final version of the draft regulations 20 AAC 25.110 prior to submittal to the Attorney General's Office.

Again, thank you for the opportunity to comment upon these proposed regulations. We look forward to continuing to work cooperatively with the Commission on this effort. Please contact me or Randall Kanady, at 263-4126 with any question.

Sincerely,

Erec S. Isaacson

Attachments (2)

Attachment 1

ConocoPhillips Alaska Inc. comments on proposed changes to 20 AAC 25.110 Suspended Wells Submitted to the Alaska Oil and Gas Conservation Commission on February 27, 2008

By section:

20 AAC 25.110(a).

The AOGCC's proposed revision to subsection (a) would remove all standards from the determination as to whether appropriate grounds for a well suspension exist. By relying on a demonstration "to the commission's satisfaction" for such determinations, all such determinations become subjective and there will be no guard against uneven standards being applied from operator to operator and from one panel of commissioners to the next. CPAI is not aware of and the commission has not expressed any dissatisfaction with or adverse results from the current list of standards in the existing regulation at subsection (a) for determining whether a well suspension should be granted.

Furthermore, by amending the introductory words to be "[u]nless abandonment is required under 20 AAC 25.105" as opposed to the current wording of "[i]f allowed under 20 AAC 25.105", the proposed regulation would set up a circular reference in some instances. Regulation 20 AAC 25.105 currently provides for situations where abandonment is absolutely required: "before expiration of the owner's rights in the property . . ." subsection (a); and "before the platform is removed or dismantled . . ." in subsection (b). The same regulation however provides several times that a well "must be abandoned" in certain situations "unless the well is completed . . . or is suspended." See 20 AAC 25.105(b), (c), and (d). In those situations, the proposed language allowing suspensions at the discretion of the commission "unless abandonment is required" becomes ambiguous and unclear. Subsections (b), (c) and (d) of 20 AAC 25.105 do require abandonment, but only if the well is not suspended. The proposed amended 20 AAC 25.110(a) allows suspension but only if abandonment is not required.

CPAI understands that the commission does not wish to be involved in "paying quantities" calculations, as the existing subsection 110(a) requires, but that the commission is otherwise amenable to continuing to have standards for suspension of a well. CPAI recommends amending subsection (a) as shown in Attachment 2, which should address the commission's concerns along with those expressed by CPAI and other operators.

20 AAC 25.110(b), (c) and (d)

CPAI does not oppose and could support the changes proposed in the commission's proposed new subsections (b), (c) and (d), but believes that in proposed subsection (c), the reference to "20 AAC 25.110(c)(1)" should be revised to "20 AAC 25.110(c);" and it would be in the best interest of all parties that the provisions of existing subsection (c) regarding confidential protection of information qualifying under 20 AAC 25.071(b) and AS 45.50.940 continue to be included in the final regulation as revised. The commission has not indicated that any of the protections currently provided by the existing subsection (c) are to be abandoned but continuing these provisions in the regulations will provide clarity and certainty regarding the status of claims for confidentiality of material submitted in support of an application for well suspension. The wording in existing subsection (c) should be continued in the regulations and could be included in a new subsection (k) in the revised regulation.

20 AAC 25.110(e).

The proposed subsection (e) imposes a new time restriction on wells that are granted suspension under the new regulation, and in doing so, imposes a time standard subject to multiple interpretation and application: "ten years or until the reason for granting the suspension is no longer valid, whichever is earlier." CPAI submits that an operator may well have a valid but different view of whether a well no longer meets the criteria for suspension and when such a change did or did not occur. Furthermore, as the criteria for suspension as currently proposed by the commission is "to the satisfaction of the commission," the operator may not be aware of all of the criteria relied upon for the commission's satisfaction nor if and the extent to which such criteria relied upon by the commission have changed and if the commission would no longer be satisfied with the well status. Furthermore, any well suspension decision based on a situation that may involve factors not directly included in information submitted to the AOGCC on a routine basis (i.e, potential redrill or service well candidates) would present a situation where the operator and the commission may not have the same information available to make that determination unless notice and an opportunity to be heard are provided. Additionally, it is not clear what status would attach to the well if the commission deems that the criteria have changed and are no longer valid, or even if both the commission and the operator agreed that the criteria have changed. Most suspended wells are not located on producing properties and the interim time period could be on the order of a year.

CPAI suggests that the wording be changed to provide that a suspension "will be valid for ten years unless terminated sooner due to change in conditions as provided in (j) below", followed by a provision requiring updates to be filed if the operator becomes aware of changes (new subsection (i) in Attachment 2) and a provision providing for commission review of new information to determine if the suspension should be terminated after notice and a hearing (new subsection (j) in Attachment 2).

20 AAC 25.110(f)

CPAI can support the commission's proposed new subsection 110(f) but CPAI suggests that, for those suspended wells located on a pad or platform with active producing or service wells, a notice period of less than ten days may be sufficient as access to a production pad or platform is likely more easily arranged than to a remote location where only one suspended wellbore exists. CPAI suggests that 48 hours notice should suffice for inspection of a suspended wellbore located on a pad or platform with active producing or service wells.

20 AAC 25.110(g)

CPAI supports the commission's proposal to add the commission's proposed new subsection (g) as long as the proposed suspended well standards are include in subsection (a).

20 AAC 25.110(h)

CPAI can support the commission's proposed new regulation.

20 AAC 25.110(i) and (j)

The proposed subsection (i) is vague and unclear. For example, it is not clear what "criterion in this section" means. "Criterion" is generally defined as a standard, rule or test by which something can be judged. If it is a standard, rule or test by which suspended wells are judged, it would not appear to apply to requirements for submission of reports. Submission of reports are not standards by which something is judged, but rather obligations to be met for compliance with the regulation. Furthermore, for the same reasons discussed above, the provision "or ceases to be satisfied" is vague, unclear and uncertain and may put an operator in the untenable and unfair position of the commission deeming, based on its internal understanding or knowledge, that a criterion is not satisfied but the operator has no basis to know. In some situations, the determination to require plugging and abandonment of a well may affect the status of the lease on which the well is located. CPAI suggests that the language be clarified to provide that

operators notify the commission if the operator knows of changes or new information and if the commission receives new information on a suspended well at any time, then the commission may, after notice and an opportunity to be heard, order a suspension terminated and require the well to be plugged and abandoned. See sections (i) and (j) of the attached draft.

20 AAC 25.110(k)

As mentioned above, CPAI requests that the language providing for certain information about the bases for the request for suspension be held as confidential information be retained in the regulations. That language could be moved to the end of the regulation section as new subsection (k). See subsection (k) in Attachment 2.

Attachment 2

**ConocoPhillips Alaska Inc.'s proposed changes to 20 AAC 25.110
Submitted to the Alaska Oil and Gas Conservation Commission on
February 27, 2008**

Subsection (a) should be revised as shown below, for the reasons stated in Attachment 1:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, the commission will, upon application by the operator under (b) of this section, approve the suspension of a well if

(1) the well

- (A) encounters a significant hydrocarbon zone;
 - (B) is a candidate for redrilling;
 - (C) has potential value as a service well; or
 - (D) is located on a pad or platform with active producing or service wells;
- and

(2) the operator justifies to the commission's satisfaction why the well should not be abandoned, and, if the well is not completed, why the well should not be completed; sufficient reasons include the

- (A) unavailability of surface production or transportation facilities;
- (B) imprudence of security maintenance of a completed well in a shut-in status;
- (C) need for pool delineation and evaluation to determine the prudence of pool development.

Existing subsections (b) – (d) are deleted and replaced with the following new subsections. The text of existing subsection (c) is moved to subsection (k) below. The provisions of subsections (b), (c), and (d) are substantially as proposed by the commission in its latest published draft.

(b) An Application for Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations commence in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include

- (1) the reason and supporting documentation for suspension;
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (3) information on abnormally geo-pressured or depleted strata;
- (4) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated; and
- (5) evidence that all freshwater and hydrocarbon resources are protected.

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c), unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

CPAI proposes the following subsections in lieu of the subsections (e) and (f) proposed in the commission's draft regulations for those subsections. The subsections reflect the changes described in the comments provided in Attachment 1.

(e) A suspension or renewal of an existing suspension approved after the effective date of this section will be valid for ten years unless terminated sooner due to change in conditions as provided in (j) below. Renewals may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator shall

inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year before or after January 1 of every year ending in 0 or 5. Each time the operator inspects a suspended well site under this subsection that is not located on a pad or platform with active producing or service wells, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour. For a well site to be inspected under this subsection that is located on a pad or platform with active producing or service wells, the operator must give the commission a minimum of 48 hours notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

CPAI supports the commission's proposal to add the commission's proposed new subsection (g) as long as the proposed suspended well standards are included in subsection (a).

(g) For any well suspended prior to the effective date of this section, the operator shall inspect the well site and file an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:

- (1) within one year of the effective date of this section for any well suspended prior to January 1, 2005; and
- (2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

The filing of an Application for Sundry Approval pursuant to (g) of this section shall be deemed an application for renewal under (e) of this section.

CPAI supports the commission's proposal to add the commission's proposed new subsection (h).

(h) Within 30 days of any well site inspection required under this section, the operator shall file a Report of Sundry Well Operations (Form 10-404). The report shall include:

- (1) a summary of any changes noted since the last report was filed;
- (2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;
- (3) well-head pressure readings;
- (4) a description of the condition of the well head and surface location, including any fluids(s) or sheen(s) visible on the ground or in any surrounding water; and
- (5) photographs clearly showing the well head and the surrounding location.

CPAI proposes the following subsections in lieu of the subsections (i) and (j) proposed in the commission's draft regulations for those subsections. The subsections reflect the changes described in the comments provided in Attachment 1.

(i) If at any time prior to a required well site inspection, the operator learns of changes to any information or data required to be submitted under this section, the operator shall notify the commission of such changes.

(j) If the commission, upon review of new information or data from a required well site inspection or submitted to update previously filed information or data, determines in a final commission order after notice and an opportunity for hearing, that the well no longer qualifies for suspension based on the criteria stated in (a) of the section, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a reasonable time schedule approved by the commission.

CPAI proposes that the language of existing subsection (c) be continued as proposed subsection (k) below.

(k) At the operator's request accompanying the submission, information submitted to show that the applicable criteria for well suspension under (a) of this section have been met will be kept confidential

(1) for the period specified under AS 31.05.035 (c), if the information is described in 20 AAC 25.071(b) ; or

(2) for the time that the information has value as a trade secret, if the information is not described in 20 AAC 25.071(b) but is determined by the commission to constitute a trade secret under AS 45.50.940.

STATE OF ALASKA

NOTICE TO PUBLISHER

ADVERTISING ORDER NO.

ADVERTISING ORDER

INVOICE MUST BE IN TRIPPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814038

SEE BOTTOM FOR INVOICE ADDRESS

F R O M	AOGCC 333 W 7th Ave, Ste 100 Anchorage, AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793-1221	DATE OF A.O. January 4, 2008 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	DATES ADVERTISEMENT REQUIRED: January 7, 2008	THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN. SPECIAL INSTRUCTIONS: Advertisement to be published was e-mailed

Type of Advertisement Legal Display Classified Other (Specify)

SEE ATTACHED

SEND INVOICE IN TRIPPLICATE TO AOGCC, 333 W. 7th Ave., Suite 100 Anchorage, AK 99501 PAGE 1 OF 2 PAGES TOTAL OF ALL PAGES\$

REF	TYPE	NUMBER	AMOUNT	DATE	COMMENTS
1	VEN				
2	ARD	02910			

FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMR	
								DIST	LIQ
1		08	02140100			73451			
2									

REQUISITIONED BY: *J. Colombie* DIVISION APPROVAL:

STATE OF ALASKA
FOURTH NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF
THE ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells.

The proposed changes are intended to clarify the requirements for suspending and the conditions governing the suspension of wells throughout the State, including the grounds for suspending wells and the surveillance, maintenance, and reporting requirements for suspended wells.

Subsections (b), (e), (h), and (i) of the proposed changes have changed since the last public notice.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

The AOGCC is vacating the January 15, 2008 hearing. The public hearing on this proposed action has been rescheduled for February 28, 2008 at 9:00 a.m. Oral comments on the proposed changes may be submitted at the hearing, and written comments must be received by the AOGCC by close of the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on February 25, 2008, to ensure that any necessary, reasonable accommodations can be provided.

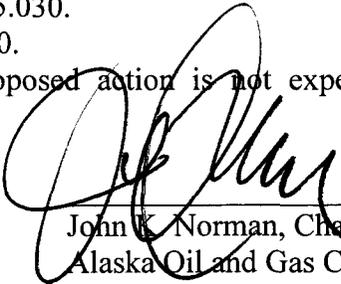
After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

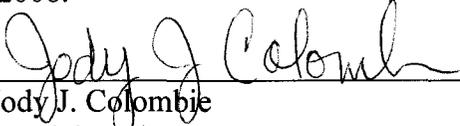
Fiscal Information: The proposed action is not expected to require an increased appropriation.

Date: January 4, 2008



John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission

ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: January 4, 2008.
10. Prepared by: 

Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) Unless abandonment is required under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The operator must demonstrate to the commission's satisfaction why the well should not be abandoned or completed.

(b) An Application for Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include

- (1) the reason and supporting documentation for suspension;
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (3) information on abnormally geo-pressured or depleted strata;
- (4) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated; and
- (5) evidence that all freshwater and hydrocarbon resources are protected.

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) A suspension approved after the effective date of this section will be valid for no more than 10 years or until the reason for granting the suspension is no longer valid, whichever is earlier. Reauthorizations may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted

STATE OF ALASKA
NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission (AOGCC) proposes to revoke and replace Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells. The proposed regulations fully revise and add provisions to Section 110.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on May 22, 2008.

A public hearing on the proposed changes will be held on June 17, 2008 at the AOGCC. The hearing will begin at and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by June 5, 2008, to ensure that any necessary, reasonable accommodations can be provided.

After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: April 15, 2008

Daniel T. Seamount, Jr., Chair
Alaska Oil and Gas Conservation Commission

within one year of January 1 of every year ending in 0 or 5. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and reapply for suspended status by filing an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:

(1) within one year of the effective date of this section for any well suspended prior to January 1, 2005; and

(2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

(h) Within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:

(1) a summary of any changes noted since the last report was filed;

(2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;

(3) well-head pressure readings;

(4) a description of the condition of the well head and surface location, including any fluids(s) or sheen(s) visible on the ground or in any surrounding water; and

(5) photographs clearly showing the well head and the surrounding location.

(i) If any criterion within this section is not or ceases to be satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.

History: Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030

Anchorage Daily News Affidavit of Publication

1/10/2008

1001 Northway Drive, Anchorage, AK 99508

AD#	DATE	PO	ACCOUNT	PRICE PER DAY	OTHER CHARGES	OTHER CHARGES #2	OTHER CHARGES #3	OTHER CHARGES #4	OTHER CHARGES #5	GRAND TOTAL
407797	01/07/2008	02814038	STOF0330	\$408.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$408.36

**STATE OF ALASKA
THIRD JUDICIAL DISTRICT**

Angelina Benjamin, being first duly sworn on oath deposes and says that she is an advertising representative of the Anchorage Daily News, a daily newspaper.

That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on the above dates and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed *Angelina Benjamin*

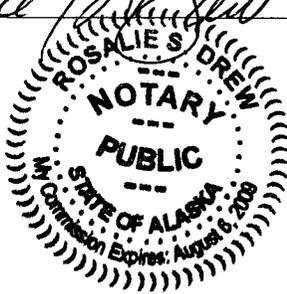
Subscribed and sworn to me before this date:

1/15/08

Notary Public in and for the State of Alaska.
Third Division, Anchorage, Alaska

MY COMMISSION EXPIRES: 8/16/09

Rosalie S. Drew



**STATE OF ALASKA
FOURTH NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF
THE ALASKA OIL AND GAS CONSERVATION COMMISSION**

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells.

The proposed changes are intended to clarify the requirements for suspending and the conditions governing the suspension of wells throughout the State, including the grounds for suspending wells and the surveillance, maintenance, and reporting requirements for suspended wells.

Subsections (b), (e), (f), and (i) of the proposed changes have changed since the last public notice.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

The AOGCC is vacating the January 15, 2008 hearing. The public hearing on this proposed action has been rescheduled for February 28, 2008 at 9:00 a.m. Oral comments on the proposed changes may be submitted at the hearing, and written comments must be received by the AOGCC by close of the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on February 25, 2008, to ensure that any necessary, reasonable accommodations can be provided.

After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED. Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.
Subject Statutes: AS 31.05.030.
Fiscal Information: The proposed action is not expected to require an increased appropriation.

Date: January 4, 2008
 John K. Norman, Chairman
 Alaska Oil and Gas Conservation Commission

**ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))**

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
 Name: John K. Norman
 Title: Chairman
 Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
 Telephone: (907) 793-1221
 E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: January 4, 2008.
10. Prepared by: Jody J. Colombie
 Special Assistant
 Alaska Oil and Gas Conservation Commission
 (907) 793-1221

AO-02814038
 Published: January 7, 2008

ADVERTISING ORDER

INVOICE MUST BE IN TRIPPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814038

SEE BOTTOM FOR INVOICE ADDRESS

F AOGCC
R 333 West 7th Avenue, Suite 100
O Anchorage, AK 99501
M 907-793-1238

AGENCY CONTACT
Jody Colombie
PHONE
(907) 793 -1221

DATE OF A.O.
January 4, 2008
PCN

T Anchorage Daily News
O PO Box 149001

Anchorage, AK 99514

DATES ADVERTISEMENT REQUIRED:
January 7, 2008

THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.

SPECIAL INSTRUCTIONS:

Account # STOF0330

AFFIDAVIT OF PUBLICATION

United states of America

State of _____ ss
_____ division.

Before me, the undersigned, a notary public this day personally appeared _____ who, being first duly sworn, according to law, says that

he/she is the _____ of _____

Published at _____ in said division _____ and state of _____ and that the advertisement, of which the annexed

is a true copy, was published in said publication on the _____ day of _____ 2007, and thereafter for _____ consecutive days, the last

publication appearing on the _____ day of _____, 2007, and that

the rate charged thereon is not in excess of the rate charged private individuals.

Subscribed and sworn to before me

This _____ day of _____ 2007,

Notary public for state of _____
My commission expires _____

REMINDER

INVOICE MUST BE IN TRIPPLICATE AND MUST REFERENCE THE ADVERTISING ORDER NUMBER. A CERTIFIED COPY OF THIS AFFIDAVIT OF PUBLICATION MUST BE SUBMITTED WITH THE INVOICE.

ATTACH PROOF OF PUBLICATION HERE.

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Friday, January 04, 2008 9:14 AM
To: 'Ads, Legal'
Subject: Public Notice
Attachments: Additional Regulation Notice 1-4-08.doc; Suspended Wells Notice 1-4-08.doc

Please publish on Monday.

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Friday, January 04, 2008 2:04 PM
Subject: Fourth Notice of Hearing, Additional Information, Proposed Regulation
Attachments: Fourth Notice, Additional Info and Proposed Regulation.pdf

BCC:McIver, C (DOA); 'Alan Birnbaum <""Alan J Birnbaum "> (alan.birnbaum@alaska.gov)'; 'Aleutians East Borough'; 'Anna Raff'; Arion, Teri A (DNR); 'Arthur C Saltmarsh'; 'Arthur Copoulos'; 'Barbara F Fullmer'; 'bbritch'; 'Bill Walker'; 'Brad McKim'; 'Brandon Gagnon'; 'Brian Gillespie'; 'Brian Havelock'; 'Brit Lively'; 'Bruce Webb'; 'buonoje'; 'Cammy Taylor'; 'Cande.Brandow'; 'carol smyth'; 'Cary Carrigan'; 'Catherine P Foerster'; caunderwood@marathonoil.com; 'Charles O'Donnell'; 'Chris Gay'; 'Christian Gou-Leonhardt'; 'Cliff Posey'; 'Dan Bross'; 'dapa'; 'Daryl J. Kleppin'; 'David L Boelens'; 'David Steingreaber'; 'ddonkel'; 'Deanna Gamble'; 'Deborah J. Jones'; 'doug_schultze'; 'Evan Harness'; 'eyancy'; 'foms2@mtaonline.net'; 'Francis S. Sommer'; 'Fred Steece'; 'Garland Robinson'; 'Gary Laughlin'; 'Gary Rogers'; 'Gary Schultz'; 'ghammons'; 'Gordon Pospisil'; 'Gregg Nady'; 'gregory micallef'; 'gspffoff'; 'Hank Alford'; 'Harry Engel'; 'jah'; 'James B Regg'; 'James M. Ruud'; 'James Scherr'; 'Janet D. Platt'; 'jdarlington'; 'jejones'; 'Jerry McCutcheon'; 'Jim White'; 'Jim Winegarner'; 'Joe Nicks'; 'John Garing'; 'John S. Haworth'; 'John Spain'; 'John Tower'; 'John W Katz'; johnny.aiken@north-slope.org; 'Jon Goltz'; 'Julie Houle'; 'Kari Moriarty'; 'Kaynell Zeman'; 'Keith Wiles'; knelson@petroleumnews.com; 'Kristin Dirks'; 'Laura Silliphant'; 'Lois'; 'Lynnda Kahn'; 'mail=akpratts@acsalaska.net'; 'mail=crockett@aoga.org'; 'mail=foms@mtaonline.net'; 'Mark Dalton'; 'Mark Hanley'; 'Mark Kovac'; 'Mark P. Worcester'; 'Marquerite kremer'; 'marty'; 'Matt Rader'; 'mckay'; 'Meghan Powell'; 'Mike Bill'; 'Mike Mason'; 'Mikel Schultz'; 'Mindy Lewis'; 'MJ Loveland'; 'mjnelson'; 'mkm7200'; 'Nick W. Glover'; NSU, ADW Well Integrity Engineer; 'Patty Alfaro'; 'Paul Decker'; 'Paul Winslow'; Pierce, Sandra M (DNR); 'Randall Kanady'; 'Randy L. Skillern'; 'rcrotty'; Rice, Cody J (DNR); 'rmclean'; rob.g.dragnich@exxonmobil.com; 'Robert Campbell'; 'Robert Province'; 'Roger Belman'; 'Rudy Brueggeman'; 'Scott Cranswick'; 'Shannon Donnelly'; 'Sharmaine Copeland'; 'Sondra Stewman'; 'Sonja Frankllin'; 'stanekj'; 'Stephen F Davies'; 'Steve Lambert'; 'Steve Moothart'; 'Steven R. Rossberg'; 'tablerk'; 'Tamera Sheffield'; 'Temple Davidson'; 'Terrie Hubble'; 'Thomas E Maunder'; 'Tim Lawlor'; 'Todd Durkee'; 'trmjr1'; 'Walter Featherly'; 'Walter Quay'; 'Wayne Rancier'; Buch, Bob (LAA); Bunde, Con (LAA); Chenault, Mike (LAA); Cissna, Sharon (LAA); Coghill, John (LAA); Cowdery, John (LAA); Crawford, Harry (LAA); Dahlstrom, Nancy (LAA); Davis, Bettye J (LAA); Doll, Andrea (LAA); Doogan, Mike (LAA); Dyson, Fred (LAA); Edgmon, Bryce E (LAA); Ellis, Johnny (LAA); Elton, Kim S (LAA); Fairclough, Anna (LAA); 'Foster, Richard'; French, Hollis (LAA); Gara, Les (LAA); Gardner, Berta (LAA); Gatto, Carl (LAA); Green, Lyda N (LAA); Gruenberg, Max F (LAA); Guttenberg, David (LAA); Harris, John (LAA); Hawker, Mike (LAA); Hoffman, Lyman F (LAA); Holmes, Lindsey (LAA); Huggins, Charlie (LAA); Johansen, Kyle B (LAA); Johnson, Craig W (LAA); Joule, Reggie (LAA); Kawasaki, Scott Jw (LAA); Keller, Wes (LAA); Kelly, Mike (LAA); Kerttula, Beth (LAA); Kookesh, Albert (LAA); Ledoux, Gabrielle R (LAA); Lynn, Bob (LAA); McGuire, Lesil L (LAA); Meyer, Kevin G (LAA); Nelson, Mary (LAA); Neuman, Mark A (LAA); Olson, Donny (LAA); Olson, Kurt E (LAA); Ramras, Jay B (LAA); Roses, Bob (LAA); Salmon, Woodie W (LAA); Samuels, Ralph (LAA); Seaton, Paul (LAA); Stedman, Bert K (LAA); Stevens, Gary L (LAA); Stoltze, Bill (LAA); Therriault, Gene (LAA); Thomas, Bill (LAA); Thomas, Joe (LAA); Wagoner, Tom (LAA); Wielechowski, Bill (LAA); Wilken, Gary R (LAA); Wilson, Peggy A (LAA)

Attachments:Fourth Notice, Additional Info and Proposed Regulation.pdf;

I apologize for the inconvenience but the Third Notice that you received yesterday lacked the clarification statement for the proposed amendment.

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*mailed
1/8/08*

SERVICE LIST FOR PROPOSED AMENDMENTS TO 20 AAC 25.110

On January 7, 2008, the fourth public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Annette Kreitzer
Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811

Legislative Reference Library
Legislative Affairs Agency
State Capitol
Juneau, AK 99801
Mail Stop: 3101

Senator Charlie Huggins, Chair
Senate Resources
State Capitol
Juneau, Alaska 99801

Representative Kurt Olson, Chair
House Oil & Gas Special Committee
State Capitol
Juneau, Alaska 99801

Senator Lesil McGuire, Chair
Administrative Regulation Review
State Capitol
Juneau, Alaska 99801

Senator John Cowdery, Chair
Legislative Council
State Capitol
Juneau, Alaska 99801

On January 7, 2008, the fourth public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Debra Behr
Chief Assistant Attorney General
Legislation and Regulations Section
Department of Law
PO Box 110300
Juneau, AK 99811



Erec S. Isaacson
Vice President
Exploration & Land

P.O. Box 100360
Anchorage, AK 99510-0360
Phone 907.263.4556
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February 28, 2008

Mr. John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, Alaska 99501-3539

**Re: Comments of ConocoPhillips Alaska, Inc.
Proposed Regulation Changes to 20 AAC 25.110**

Dear Chairman Norman:

ConocoPhillips Alaska, Inc. (CPAI) appreciates the opportunity to provide input to the proposed revisions to 20 AAC 25.110 regulations addressing suspended wells. There are several issues that we would like to bring to your attention and that are discussed in CPAI's attached comments (Attachment 1). We have formulated a revised version of the proposed regulations (Attachment 2) that reflects the suggestions and proposed changes discussed in Attachment 1. In several instances, our proposed changes reflect what we understand to be the Commission's intent, but offer suggested language changes to more clearly convey that intent.

Considering the magnitude of the proposed changes, the extensive comments provided in this communication and potential impact to operators, CPAI requests that the Commission allow industry to comment on the Commission's final version of the draft regulations 20 AAC 25.110 prior to submittal to the Attorney General's Office.

Again, thank you for the opportunity to comment upon these proposed regulations. We look forward to continuing to work cooperatively with the Commission on this effort. Please contact me or Randall Kanady, at 263-4126 with any question.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. S. Isaacson', is written over a horizontal line.

Erec S. Isaacson

Attachments (2)

Attachment 1

ConocoPhillips Alaska Inc. comments on proposed changes to 20 AAC 25.110 Suspended Wells Submitted to the Alaska Oil and Gas Conservation Commission on February 27, 2008

By section:

20 AAC 25.110(a).

The AOGCC's proposed revision to subsection (a) would remove all standards from the determination as to whether appropriate grounds for a well suspension exist. By relying on a demonstration "to the commission's satisfaction" for such determinations, all such determinations become subjective and there will be no guard against uneven standards being applied from operator to operator and from one panel of commissioners to the next. CPAI is not aware of and the commission has not expressed any dissatisfaction with or adverse results from the current list of standards in the existing regulation at subsection (a) for determining whether a well suspension should be granted.

Furthermore, by amending the introductory words to be "[u]nless abandonment is required under 20 AAC 25.105" as opposed to the current wording of "[i]f allowed under 20 AAC 25.105", the proposed regulation would set up a circular reference in some instances. Regulation 20 AAC 25.105 currently provides for situations where abandonment is absolutely required: "before expiration of the owner's rights in the property . . ." subsection (a); and "before the platform is removed or dismantled . . ." in subsection (b). The same regulation however provides several times that a well "must be abandoned" in certain situations "unless the well is completed . . . or is suspended." See 20 AAC 25.105(b), (c), and (d). In those situations, the proposed language allowing suspensions at the discretion of the commission "unless abandonment is required" becomes ambiguous and unclear. Subsections (b), (c) and (d) of 20 AAC 25.105 do require abandonment, but only if the well is not suspended. The proposed amended 20 AAC 25.110(a) allows suspension but only if abandonment is not required.

CPAI understands that the commission does not wish to be involved in "paying quantities" calculations, as the existing subsection 110(a) requires, but that the commission is otherwise amenable to continuing to have standards for suspension of a well. CPAI recommends amending subsection (a) as shown in Attachment 2, which should address the commission's concerns along with those expressed by CPAI and other operators.

20 AAC 25.110(b), (c) and (d)

CPAI does not oppose and could support the changes proposed in the commission's proposed new subsections (b), (c) and (d), but believes that in proposed subsection (c), the reference to "20 AAC 25.110(c)(1)" should be revised to "20 AAC 25.110(c);" and it would be in the best interest of all parties that the provisions of existing subsection (c) regarding confidential protection of information qualifying under 20 AAC 25.071(b) and AS 45.50.940 continue to be included in the final regulation as revised. The commission has not indicated that any of the protections currently provided by the existing subsection (c) are to be abandoned but continuing these provisions in the regulations will provide clarity and certainty regarding the status of claims for confidentiality of material submitted in support of an application for well suspension. The wording in existing subsection (c) should be continued in the regulations and could be included in a new subsection (k) in the revised regulation.

20 AAC 25.110(e).

The proposed subsection (e) imposes a new time restriction on wells that are granted suspension under the new regulation, and in doing so, imposes a time standard subject to multiple interpretation and application: "ten years or until the reason for granting the suspension is no longer valid, whichever is earlier." CPAI submits that an operator may well have a valid but different view of whether a well no longer meets the criteria for suspension and when such a change did or did not occur. Furthermore, as the criteria for suspension as currently proposed by the commission is "to the satisfaction of the commission," the operator may not be aware of all of the criteria relied upon for the commission's satisfaction nor if and the extent to which such criteria relied upon by the commission have changed and if the commission would no longer be satisfied with the well status. Furthermore, any well suspension decision based on a situation that may involve factors not directly included in information submitted to the AOGCC on a routine basis (i.e, potential redrill or service well candidates) would present a situation where the operator and the commission may not have the same information available to make that determination unless notice and an opportunity to be heard are provided. Additionally, it is not clear what status would attach to the well if the commission deems that the criteria have changed and are no longer valid, or even if both the commission and the operator agreed that the criteria have changed. Most suspended wells are not located on producing properties and the interim time period could be on the order of a year.

CPAI suggests that the wording be changed to provide that a suspension "will be valid for ten years unless terminated sooner due to change in conditions as provided in (j) below", followed by a provision requiring updates to be filed if the operator becomes aware of changes (new subsection (i) in Attachment 2) and a provision providing for commission review of new information to determine if the suspension should be terminated after notice and a hearing (new subsection (j) in Attachment 2).

20 AAC 25.110(f)

CPAI can support the commission's proposed new subsection 110(f) but CPAI suggests that, for those suspended wells located on a pad or platform with active producing or service wells, a notice period of less than ten days may be sufficient as access to a production pad or platform is likely more easily arranged than to a remote location where only one suspended wellbore exists. CPAI suggests that 48 hours notice should suffice for inspection of a suspended wellbore located on a pad or platform with active producing or service wells.

20 AAC 25.110(g)

CPAI supports the commission's proposal to add the commission's proposed new subsection (g) as long as the proposed suspended well standards are include in subsection (a).

20 AAC 25.110(h)

CPAI can support the commission's proposed new regulation.

20 AAC 25.110(i) and (j)

The proposed subsection (i) is vague and unclear. For example, it is not clear what "criterion in this section" means. "Criterion" is generally defined as a standard, rule or test by which something can be judged. If it is a standard, rule or test by which suspended wells are judged, it would not appear to apply to requirements for submission of reports. Submission of reports are not standards by which something is judged, but rather obligations to be met for compliance with the regulation. Furthermore, for the same reasons discussed above, the provision "or ceases to be satisfied" is vague, unclear and uncertain and may put an operator in the untenable and unfair position of the commission deeming, based on its internal understanding or knowledge, that a criterion is not satisfied but the operator has no basis to know. In some situations, the determination to require plugging and abandonment of a well may affect the status of the lease on which the well is located. CPAI suggests that the language be clarified to provide that

operators notify the commission if the operator knows of changes or new information and if the commission receives new information on a suspended well at any time, then the commission may, after notice and an opportunity to be heard, order a suspension terminated and require the well to be plugged and abandoned. See sections (i) and (j) of the attached draft.

20 AAC 25.110(k)

As mentioned above, CPAI requests that the language providing for certain information about the bases for the request for suspension be held as confidential information be retained in the regulations. That language could be moved to the end of the regulation section as new subsection (k). See subsection (k) in Attachment 2.

Attachment 2

**ConocoPhillips Alaska Inc.'s proposed changes to 20 AAC 25.110
Submitted to the Alaska Oil and Gas Conservation Commission on
February 27, 2008**

Subsection (a) should be revised as shown below, for the reasons stated in Attachment 1:

20 AAC 25.110. Suspended wells. (a) If allowed under 20 AAC 25.105, the commission will, upon application by the operator under (b) of this section, approve the suspension of a well if

(1) the well

- (A) encounters a significant hydrocarbon zone;
 - (B) is a candidate for redrilling;
 - (C) has potential value as a service well; or
 - (D) is located on a pad or platform with active producing or service wells;
- and

(2) the operator justifies to the commission's satisfaction why the well should not be abandoned, and, if the well is not completed, why the well should not be completed; sufficient reasons include the

- (A) unavailability of surface production or transportation facilities;
- (B) imprudence of security maintenance of a completed well in a shut-in status;
- (C) need for pool delineation and evaluation to determine the prudence of pool development.

Existing subsections (b) – (d) are deleted and replaced with the following new subsections. The text of existing subsection (c) is moved to subsection (k) below. The provisions of subsections (b), (c), and (d) are substantially as proposed by the commission in its latest published draft.

(b) An Application for Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations commence in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include

- (1) the reason and supporting documentation for suspension;
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (3) information on abnormally geo-pressured or depleted strata;
- (4) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated; and
- (5) evidence that all freshwater and hydrocarbon resources are protected.

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c), unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

CPAI proposes the following subsections in lieu of the subsections (e) and (f) proposed in the commission's draft regulations for those subsections. The subsections reflect the changes described in the comments provided in Attachment 1.

(e) A suspension or renewal of an existing suspension approved after the effective date of this section will be valid for ten years unless terminated sooner due to change in conditions as provided in (j) below. Renewals may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator shall

inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year before or after January 1 of every year ending in 0 or 5. Each time the operator inspects a suspended well site under this subsection that is not located on a pad or platform with active producing or service wells, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour. For a well site to be inspected under this subsection that is located on a pad or platform with active producing or service wells, the operator must give the commission a minimum of 48 hours notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

CPAI supports the commission's proposal to add the commission's proposed new subsection (g) as long as the proposed suspended well standards are included in subsection (a).

(g) For any well suspended prior to the effective date of this section, the operator shall inspect the well site and file an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:

- (1) within one year of the effective date of this section for any well suspended prior to January 1, 2005; and
- (2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

The filing of an Application for Sundry Approval pursuant to (g) of this section shall be deemed an application for renewal under (e) of this section.

CPAI supports the commission's proposal to add the commission's proposed new subsection (h).

(h) Within 30 days of any well site inspection required under this section, the operator shall file a Report of Sundry Well Operations (Form 10-404). The report shall include:

- (1) a summary of any changes noted since the last report was filed;
- (2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;
- (3) well-head pressure readings;
- (4) a description of the condition of the well head and surface location, including any fluids(s) or sheen(s) visible on the ground or in any surrounding water; and
- (5) photographs clearly showing the well head and the surrounding location.

CPAI proposes the following subsections in lieu of the subsections (i) and (j) proposed in the commission's draft regulations for those subsections. The subsections reflect the changes described in the comments provided in Attachment 1.

(i) If at any time prior to a required well site inspection, the operator learns of changes to any information or data required to be submitted under this section, the operator shall notify the commission of such changes.

(j) If the commission, upon review of new information or data from a required well site inspection or submitted to update previously filed information or data, determines in a final commission order after notice and an opportunity for hearing, that the well no longer qualifies for suspension based on the criteria stated in (a) of the section, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a reasonable time schedule approved by the commission.

CPAI proposes that the language of existing subsection (c) be continued as proposed subsection (k) below.

(k) At the operator's request accompanying the submission, information submitted to show that the applicable criteria for well suspension under (a) of this section have been met will be kept confidential

(1) for the period specified under AS 31.05.035 (c), if the information is described in 20 AAC 25.071(b) ; or

(2) for the time that the information has value as a trade secret, if the information is not described in 20 AAC 25.071(b) but is determined by the commission to constitute a trade secret under AS 45.50.940.

Alaska Oil and Gas Association



121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907)272-1481 Fax: (907)279-8114
Email: moriarty@aoga.org
Kara Moriarty, Deputy Director

February 28, 2008

Commissioner Dan Seamont
Alaska Oil & Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, AK 99501

Re: Proposed Changes to 20 AAC 25.110 –
Suspended Wells

Dear Commissioner Seamont:

The 17 members of the Alaska Oil & Gas Association (AOGA) account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in the state. We appreciate the opportunity to comment on the proposed regulation changes to 20 AAC 25.110, suspended wells.

We support the spirit of the proposed changes to the suspended wells regulations, and agree that a requirement for periodic review and site inspection is reasonable. However, we have specific comments regarding the details contained in the proposed language and are concerned about the elimination of various provisions in the current regulation.

In addition to this cover letter, you will find two different attachments. One is a chart that contains the proposed regulation, our specific comment on that regulation, and proposed language for the Commission to consider. The other attachment is proposed redline of the regulations with our suggested language recommendations.

The regulations should provide clear guidance for when suspended well status is appropriate and under what circumstances such well status will be approved, as well as providing protection of confidential information.

The proposed regulations do not include the confidentiality protections contained in the current regulations 20 AAC 25.110(c). We strongly suggest that information concerning the completion

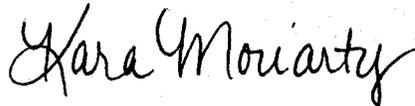
of a well or considered a trade secret continue to have that protection. We believe the current protections are appropriate and necessary and recommend retaining them.

The new work required by the proposed regulations will require a significant effort by operators and by commission staff during the first year and during reauthorizations following the effective date of the regulations. We recommend for any wells suspended prior to January 1, 2005, that the inspection and application period be extended to 24 months. This allows sufficient time for operators and the commission to plan and coordinate site inspections and to prepare and process reapplications. We also suggest adding an administrative approval section to allow the commission to deal with special situations.

Please consider this communication and the two attachments as part of the public record associated with this subject.

Again, thank you for the opportunity to comment upon these proposed regulations. We look forward to continuing to work cooperatively with the Commission on this effort. Please contact me or Harry Engel, chairman of our AOGCC task group, at 564-4194.

Sincerely,

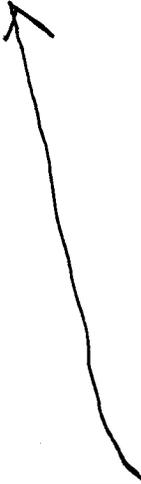


KARA MORIARTY
Deputy Director

Attachments (2)

Cc: Commissioner John Norman
Commissioner Cathy Foerster

AOGA Specific Comments on Proposed 20 AAC 25.110: Suspended Wells

<u>Proposed Regulation</u>	<u>AOGA Comment</u>	<u>AOGA Proposed Regulations</u>
<p>(a) Unless abandonment is required under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The operator must demonstrate to the commission's satisfaction why the well should not be abandoned or completed.</p>	<p>The statement "unless abandonment is required under 20 AAC 25.105 is unclear since in 25.105(b)-(d) a well must be abandoned unless it is suspended. We suggest using the existing introductory phrase in the 20 AAC 25.110(a): "If allowed under 20 AAC 25.105," rather than "Unless abandonment is required under 20 AAC 25.105.</p> <p>Also, the current regulations contain specific reasons and criteria for the Commission to use when granting suspended well status. The proposed changes lose clarity by removing those requirements and criteria and providing no guidance for the circumstances under which suspended well status will be granted. We recommend retaining the current criteria in 20 AAC 25.110(a).</p> 	<p>(a) If allowed under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The commission will, upon application by the operator under (b) of this section, approve the suspension of a well if</p> <ul style="list-style-type: none"> (1) the well <ul style="list-style-type: none"> (A) encounters hydrocarbons of sufficient quality and quantity to indicate that the well is capable of producing in paying quantities, as reasonably demonstrated by well tests or interpretive formation evaluation data; for purposes of this paragraph, "paying quantities" means quantities sufficient to yield a return in excess of operating costs; (B) is a candidate for redrilling; (C) has potential value as a service well; or (D) is located on a pad or platform with active producing or service wells; and (2) the operator justifies to the commission's satisfaction why the well should not be abandoned, and if the well is not completed, why the well should not be completed; sufficient reasons include the <ul style="list-style-type: none"> (A) unavailability of surface production or transportation facilities; (B) imprudence of security maintenance of a completed well in a shut-in status; (C) need for pool delineation and evaluation to determine the prudence of pool development.

is this for?
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<p>(b) An Application of Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include</p> <ol style="list-style-type: none">(1) the reason and supporting documentation for suspension;(2) well bore diagrams illustrating the current and proposed mechanical configurations of the well;(3) information on abnormally geo-pressured or depleted strata;(4) a description of the proposed work plan including how the integrity of existing and proposed plugs will be demonstrated; and <p>evidence that all fresh water and hydrocarbon resources are protected.</p>	<p>AOGA Comment: A decision to suspend a well may not necessarily be a change to an approved program, such as referenced in 20 AAC 25.507 (b). Providing for oral approval is appropriate. We recommend the reference to 25.507 be removed and specific language be included in this section such as found in 25.015(b)(2): "In cases where prompt approval is needed, oral approval may be requested from the commission; if oral approval is obtained from the commission, the name of the representative of the commission who provided oral approval and the date of the approval must be included on the Application for Sundry Approvals, which must be submitted within 3 days for final approval by the commission."</p>	<p>(b) An Application of Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed. In cases where prompt approval to suspend a well is needed, oral approval may be requested from the commission; if oral approval is obtained from the commission, the name of the representative of the commission who provided oral approval and the date of the approval must be included in the application for Sundry Approvals, which must be submitted within 3 days for final approval by the commission. The application must include</p> <ol style="list-style-type: none">(1) the reason and supporting documentation for suspension;(2) well bore diagrams illustrating the current and proposed mechanical configurations of the well;(3) information on abnormally geo-pressured or depleted strata;(4) a description of the proposed work plan including how the integrity of existing and proposed plugs will be demonstrated; and
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		(5) evidence that all fresh water and hydrocarbon resources are protected.
(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), unless otherwise authorized by the commission.	AOGA Comment: The reference 20 AAC 25.112(c)(1) is incomplete since it is specific to cased and perforated wells. The reference should be broadened to account for uncased sections of the well bore, such as the requirements of 20 AAC 25.112, minus the provisions of subsection (d).	(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112, except the requirements of 20 AAC 25.112(d) do not apply, unless otherwise authorized by the commission.
(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.	AOGA has no comment.	
(e) A suspension approved after the effective date of this section will be valid for no more than 10 years or until the reason for granting the suspension is no longer valid, whichever is earlier. Reauthorizations may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).	AOGA Comment: The phrase "until the reason for granting the suspension" is vague. There may be multiple reasons why a suspension was granted. If there are multiple reasons why a suspension was granted, is the suspension no longer valid if only one of those reasons is no longer valid? The smaller phrase "is no longer valid" is also problematic because of its subjective nature. Reasonable minds may differ regarding when a reason for suspension is "no longer valid." It is	(e) A suspension approved after the effective date of this section will be valid for no more than 10 years. Upon notification from the Commission that one or more of the reasons for suspension may no longer be valid the operator has 60 days to present a plan to address the Commission's concerns. Reauthorizations may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection

	<p>important to be able to clearly identify when, for purposes of enforcement, the Commission considers a reason to be “no longer valid,” such as a notice from the Commission. Without clear identification of when a reason is “no longer valid”, operators risk being out of compliance with the regulation, even if they might otherwise have a reasonable basis to think that the reason for suspension is still valid. This proposed regulation would also result in an immediate violation, without an opportunity for the Operator to provide information to the Commission to demonstrate that the reason for suspension is still valid.</p>	<p>(b)(1)-(5).</p>
<p>(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year of January 1 of every year ending in 0 or 5. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.</p>	<p>AOGA Comment: The requirement for a suspended well inspection within 12 months could result in the Commission called to the site multiple times in the first year to witness setting and verifying the plug, site clearance and to satisfy this requirement. The ten day notice requirement will hamper efficient planning of field activities. The proposed Safety Valve System regulations require 48 hours notice of testing for remote locations, so we recommend changing the ten day notice to 48 hours.</p>	<p>(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year prior or after January 1 of every year ending in 0 or 5, beginning in 2015. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of 48 hour notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the</p>

	<p>Also, as currently written, wells suspended in 2008 or 2009 would require a subsequent inspection in 2010. Such immediate follow up inspections for newly suspended wells may be unnecessary. We recommend that the first cycle of five year inspections required by this section should begin in 2015. We are also recommending for some flexibility in inspections to allow for unpredictable conditions.</p>	<p>operator on the inspection tour.</p>
<p>(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and re-apply for suspended status by filing an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:</p> <ul style="list-style-type: none"> (1) within one year of the effective date of this section for any well suspended prior to January 1 2005; and (2) within 5 years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section. 	<p>AOGA Comment: Most suspended wells in the state were suspended prior to 2005. The requirement for site inspection and re-application for suspended well status within the first year will require a significant effort by operators and by commission staff. Most sites are best visited in the summer year. Depending on when the regulations become effective, the planning and logistics required may be difficult during the first year. We recommend the 1 year period be extended to 2 years to allow efficient planning and adding a provision for an alternate schedule as authorized by the commission. There is no recognition of possible offshore suspended wells (25.105(c)). A provision should be added to allow continued suspended well status until there is action by the commission on the re-application.</p>	<p>(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and re-apply for suspended status by filing an Application for Sundry Approvals. Suspended status will continue until commission render decision. The application will contain the information required in subsection (b)(1)-(5) as follows:</p> <ul style="list-style-type: none"> (1) within two years of the effective date of this section for any well suspended prior to January 1 2005; and (2) within 5 years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

AOGA Specific Comments on Proposed Changes to 20 AAC 25.110, Suspended Wells

February 28, 2008

Page 6

<p>(h) within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:</p> <p>(1) a summary of any changes noted since the last report was filed;</p> <p>(2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;</p> <p>(3) well-head pressure readings</p> <p>(4) a description of the condition of the well head and surface location, including any fluid(s) or sheens(s) visible on the ground or in any surrounding water; and</p> <p>(5) photographs clearly showing the well head and surrounding location.</p>	<p>AOGA has no comment.</p>	
<p>(i) If any criterion within this section is not or ceases to be satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.</p>	<p>AOGA Comment: 20 AAC 25.535 already allows the commission, in its discretion, to take enforcement action, including ordering corrective action or remedial work, against a person who has violated or failed to comply with a provision of AS 31.05 or Chapter 25 of Title 20 of the Alaska Administrative Code (including the requirements of 20 AAC 25.526). Also, 20 AAC 25.539 already</p>	

	<p>authorizes the commission to to issue a temporary emergency order without a hearing if necessary to protect against immediate harm to public health or safety. We believe the proposed regulation is unnecessary because it is duplicative of existing regulations, and because the proposed regulation lacks important due process safeguards that are contained in the existing regulations.</p> <p>This section is unclear and subject to interpretation. Who will make this determination and when? The phrase "criterion" is vague. At a minimum, we would recommend replacing the word "criterion" with "requirement". The current regulations contain specific reasons and criteria for the Commission to use when granting suspended well status. The proposed changes have lost clarity by removing those requirements and criteria.</p>	
	<p>AOGA Comment: We suggest adding an administrative approval section to allow the commission to deal with special situations.</p>	<p>(i) The commission may administratively approve, in its discretion, a variance from the requirement of this section if the variance provides for at least equally effective plugging of the well and prevention of fluid movement into sources of hydrocarbons or freshwater.</p>
	<p>AOGA Comment: The proposed</p>	<p>(j) At the operator's request</p>

	<p>regulations do not include the confidentiality protections contained in the current regulations 25.110(c). We strongly suggest that information concerning the completion of a well or considered a trade secret continue to have that protection.</p>	<p>accompanying the submission. information submitted to show that the applicable criteria for well suspension under (a) of this section have been met will be kept confidential</p> <p>(1) for the period specified under AS 31.05.035(c), if the information is described in 20 AAC 25.071(b); or</p> <p>(2) for the time that the information has value as a trade secret, if the information is not described in 20 AAC 25.071(b) but is determined by the commission to constitute a trade secret under AS 45.50.940.</p>
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20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. ~~(a) Unless abandonment is required under 20 AAC 25.105, if~~
~~allowed under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for~~
suspension of a well. ~~The operator must demonstrate to the commission's satisfaction why the well~~
~~should not be abandoned or completed. The commission will, upon application by the operator under~~
~~(b) of this section, approve the suspension of a well if~~

(1) the well

(A) encounters hydrocarbons of sufficient quality and quantity to indicate that the well is capable of producing in paying quantities, as reasonably demonstrated by well tests or interpretive formation evaluation data; for purposes of this paragraph, "paying quantities" means quantities sufficient to yield a return in excess of operating costs;

(B) is a candidate for redrilling;

(C) has potential value as a service well; or

(D) is located on a pad or platform with active producing or service wells; and

(2) the operator justifies to the commission's satisfaction why the well should not be abandoned, and if the well is not completed, why the well should not be completed;

sufficient reasons include the

(A) unavailability of surface production or transportation facilities;

(B) imprudence of security maintenance of a completed well in a shut-in status;

(C) need for pool delineation and evaluation to determine the prudence of pool development.

(b) An Application for Sundry approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed, except

AOGA Proposed Redline to AOGCC Regulation Changes to 20 AAC 25.110, Suspended Wells
February 28, 2008

~~that oral approval may be requested under 20 AAC 25.507(b).~~ In cases where prompt approval to suspend a well is needed, oral approval may be requested from the commission; if oral approval is obtained from the commission, the name of the representative of the commission who provided oral approval and the date of the approval must be included in the application for Sundry Approvals, which must be submitted within 3 days for final approval by the commission. **The application must include**

- (1) the reason and supporting documentation for suspension;**
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;**
- (3) information on abnormally geo-pressured or depleted strata;**
- (4) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated; and**
- (5) evidence that all freshwater and hydrocarbon resources are protected.**

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112~~(e)(1)~~, except the requirements of 20 AAC 25.112 (d) do not apply, unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) A suspension approved after the effective date of this section will be valid for no more than 10 years. Upon notification from the Commission that one or more of the reasons for suspension may no longer be valid the operator has 60 days to present a plan to address the Commission's concerns, ~~or until the reason for granting the suspension is no longer valid, whichever is earlier.~~ **Reauthorizations**

may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year ~~prior or after~~ of January 1 of every year ending in 0 or 5, beginning in 2015. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of ~~ten days~~ 48 hour notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and reapply for suspended status by filing an Application for Sundry Approvals. Suspended status will continue until commission renders decision. The application will ~~containing the information~~ required in subsection (b)(1)-(5) as follows:

(1) within ~~one-two~~ years of the effective date of this section for any well suspended prior to January 1, 2005; and

(2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

(h) Within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:

- (1) a summary of any changes noted since the last report was filed;
- (2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;
- (3) well-head pressure readings;

(4) a description of the condition of the well head and surface location, including any fluids(s) or sheen(s) visible on the ground or in any surrounding water; and

(5) photographs clearly showing the well head and the surrounding location.

~~(i) If any criterion within this section is not or ceases to be satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.~~

(i) The commission may administratively approve, in its discretion, a variance from the requirement of this section if the variance provides for at least equally effective plugging of the well and prevention of fluid movement into sources of hydrocarbons or freshwater.

(j) At the operator's request accompanying the submission, information submitted to show that the applicable criteria for well suspension under (a) of this section have been met will be kept confidential

(1) for the period specified under AS 31.05.035(c), if the information is described in 20

AAC 25.071(b); or

(2) for the time that the information has value as a trade secret, if the information is not described in 20 AAC 25.071(b) but is determined by the commission to constitute a trade secret under AS 45.50.940.

#6

STATE OF ALASKA

NOTICE TO PUBLISHER

ADVERTISING ORDER NO.

ADVERTISING
ORDERINVOICE MUST BE IN TRIPPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED
AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF
ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814037

SEE BOTTOM FOR INVOICE ADDRESS

F R O M	AOGCC 333 W 7th Ave, Ste 100 Anchorage, AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793-1221	DATE OF A.O. January 2, 2008 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	DATES ADVERTISEMENT REQUIRED: January 4, 2008	THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.
		SPECIAL INSTRUCTIONS: Advertisement to be published was e-mailed	

Type of Advertisement Legal Display Classified Other (Specify)

SEE ATTACHED

SEND INVOICE IN TRIPLICATE TO AOGCC, 333 W. 7th Ave., Suite 100 Anchorage, AK 99501 PAGE 1 OF 2 PAGES TOTAL OF ALL PAGES\$

REF	TYPE	NUMBER	AMOUNT	DATE	COMMENTS
1	VEN				
2	ARD	02910			

FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMR	
								DIST	LIQ
1		08	02140100			73451			
2									

REQUISITIONED BY:

DIVISION APPROVAL:

STATE OF ALASKA
THIRD NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells, including the following:

The proposed regulations changes referenced above clarify what is expected of operators with respect to the surveillance, maintenance, and reporting requirements for suspended wells throughout the State.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on February 5, 2008.

The Commission is vacating the January 15, 2008 hearing and has tentatively rescheduled public hearing on this proposed action for February 28, 2008. The hearing will begin at 9:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on February 25, 2008, to ensure that any necessary, reasonable accommodations can be provided.

After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: January 2, 2008



Daniel T. Seamount, Jr.
Alaska Oil and Gas Conservation Commission

ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: January 2, 2008.
10. Prepared by: 
Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

Anchorage Daily News Affidavit of Publication

1/4/2008

1001 Northway Drive, Anchorage, AK 99508

AD#	DATE	PO	ACCOUNT	PRICE PER DAY	OTHER CHARGES	OTHER CHARGES #2	OTHER CHARGES #3	OTHER CHARGES #4	OTHER CHARGES #5	GRAND TOTAL
406109	01/04/2008	02814037	STOF0330	\$408.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$408.36

STATE OF ALASKA THIRD JUDICIAL DISTRICT

Angelina Benjamin, being first duly sworn on oath deposes and says that she is an advertising representative of the Anchorage Daily News, a daily newspaper.

That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on the above dates and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed

Angelina Benjamin

Subscribed and sworn to me before this date:

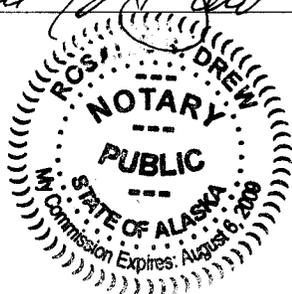
1/8/08

Notary Public in and for the State of Alaska.
Third Division. Anchorage, Alaska

MY COMMISSION EXPIRES:

8/10/09

[Signature]



**STATE OF ALASKA
THIRD NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION**

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells, including the following:

The proposed regulations changes referenced above clarify what is expected of operators with respect to the surveillance, maintenance, and reporting requirements for suspended wells throughout the State.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on February 5, 2008.

The Commission is vacating the January 15, 2008 hearing and has tentatively rescheduled public hearing on this proposed action for February 28, 2008. The hearing will begin at 9:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on February 25, 2008, to ensure that any necessary, reasonable accommodations can be provided.

After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.
Subject Statutes: AS 31.05.030.
Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: January 2, 2008
Daniel T. Seamount, Jr.
Alaska Oil and Gas Conservation Commission

**ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))**

- Adopting agency: Alaska Oil and Gas Conservation Commission.
- General subject of regulations: suspended wells.
- Citation of regulations: 20 AAC 25.110.
- Reason for the proposed action: clarification of regulatory requirements.
- RDU/component affected: Alaska Oil and Gas Conservation Commission.
- Cost of implementation to the state agency: zero.
- Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
- Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
- Date: January 2, 2008.
- Prepared by: Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

AO-02814037
Published: January 4, 2008

ADVERTISING ORDER

INVOICE MUST BE IN TRIPPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814037

SEE BOTTOM FOR INVOICE ADDRESS

F R O M	AOGCC 333 West 7 th Avenue. Suite 100 Anchorage, AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793-1221	DATE OF A.O. January 2, 2008 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	DATES ADVERTISEMENT REQUIRED: January 4, 2008	
		THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.	
		SPECIAL INSTRUCTIONS: Account # STOF0330	

AFFIDAVIT OF PUBLICATION

United states of America

State of _____ ss
_____ division.

Before me, the undersigned, a notary public this day personally appeared _____ who, being first duly sworn, according to law, says that he/she is the _____ of _____

Published at _____ in said division _____ and state of _____ and that the advertisement, of which the annexed is a true copy, was published in said publication on the _____ day of _____ 2007, and thereafter for _____ consecutive days, the last publication appearing on the _____ day of _____, 2007, and that the rate charged thereon is not in excess of the rate charged private individuals.

Subscribed and sworn to before me

This _____ day of _____ 2007,

Notary public for state of _____
My commission expires _____

REMINDER

INVOICE MUST BE IN TRIPPLICATE AND MUST REFERENCE THE ADVERTISING ORDER NUMBER. A CERTIFIED COPY OF THIS AFFIDAVIT OF PUBLICATION MUST BE SUBMITTED WITH THE INVOICE.

ATTACH PROOF OF PUBLICATION HERE.

Colombie, Jody J (DOA)

From: Ads, Legal [legalads@adn.com]
Sent: Wednesday, January 02, 2008 4:55 PM
To: Colombie, Jody J (DOA)
Subject: RE: Public Notice
Attachments: Public Notice; 00, ADN Changes.doc; STOF0330 - Preview.pdf; STOF0330 - Verification.pdf

Following is the confirmation on your legal notice. Please fully review all attachments and let me know if there are any changes. And, please let me know if you have any questions or need additional information. Payments may be made by phone with a credit card, by mail with a check, or in person at the ADN.

AFFIDAVITS WILL BE MAILED OUT APPROXIMATELY 10 BUSINESS DAYS AFTER THE LAST DATE OF PUBLICATION.

PLEASE KEEP THE FOLLOWING INFORMATION AS IT WILL QUICKLY ASSIST IN THE CASE THIS AD NEEDS TO BE PULLED UP IN THE FUTURE.

Account Number:	STOF0330
Legal Ad Number:	406109
Classification:	Rules & Regulations (9100)
Size of Ad (columns x inches):	3 x 6.90
Publication Date(s):	January 4, 2008
Your AO/ PO/ Reference Number:	02814037
Total Cost of Legal Notice:	\$408.36

I have attached a Word document explaining changes to come with the Anchorage Daily News that will take effect as of January 6, 2008.

Direct: 907-257-4296 | Fax: 907-279-8170
ABenjamin@adn.com | 1001 Northway Drive | Anchorage, AK 99508

Anchorage^{adn.com} Daily News

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Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Thursday, January 03, 2008 3:25 PM
Subject: Third Notice, Additional Regulations Notice Information and Regulation of 1-3-08
Attachments: Third Notice, Additional Info and Regulation 1-3-08.pdf

BCC:McIver, C (DOA); 'Alan Birnbaum <""Alan J Birnbaum "> (alan.birnbaum@alaska.gov)'; 'Aleutians East Borough'; 'Anna Raff'; Arion, Teri A (DNR); 'Arthur C Saltmarsh'; 'Arthur Copoulos'; 'Barbara F Fullmer'; 'bbritch'; 'Bill Walker'; 'Brad McKim'; 'Brandon Gagnon'; 'Brian Gillespie'; 'Brian Havelock'; 'Brit Lively'; 'Bruce Webb'; 'buonoje'; 'Cammy Taylor'; 'Cande.Brandow'; 'carol smyth'; 'Cary Carrigan'; 'Catherine P Foerster'; caunderwood@marathonoil.com; 'Charles O'Donnell'; 'Chris Gay'; 'Christian Gou-Leonhardt'; 'Cliff Posey'; 'Dan Bross'; 'dapa'; 'Daryl J. Kleppin'; 'David L Boelens'; 'David Steingreaber'; 'ddonkel'; 'Deanna Gamble'; 'Deborah J. Jones'; 'doug_schultze'; 'Evan Harness'; 'eyancy'; 'foms2@mtaonline.net'; 'Francis S. Sommer'; 'Fred Steece'; 'Garland Robinson'; 'Gary Laughlin'; 'Gary Rogers'; 'Gary Schultz'; 'ghammons'; 'Gordon Pospisil'; 'Gregg Nady'; 'gregory micallaf'; 'gspffoff'; 'Hank Alford'; 'Harry Engel'; 'jah'; 'James B Regg'; 'James M. Ruud'; 'James Scherr'; 'Janet D. Platt'; 'jdarlington'; 'jejones'; 'Jerry McCutcheon'; 'Jim White'; 'Jim Winegarner'; 'Joe Nicks'; 'John Garing'; 'John S. Haworth'; 'John Spain'; 'John Tower'; 'John W Katz'; johnny.aiken@north-slope.org; 'Jon Goltz'; 'Julie Houle'; 'Kari Moriarty'; 'Kaynell Zeman'; 'Keith Wiles'; knelson@petroleumnews.com; 'Kristin Dirks'; 'Laura Silliphant'; 'Lois'; 'Lynnda Kahn'; 'mail=akpratts@acsalaska.net'; 'mail=crockett@aoga.org'; 'mail=foms@mtaonline.net'; 'Mark Dalton'; 'Mark Hanley'; 'Mark Kovac'; 'Mark P. Worcester'; 'Marquerite kremer'; 'marty'; 'Matt Rader'; 'mckay'; 'Meghan Powell'; 'Mike Bill'; 'Mike Mason'; 'Mikel Schultz'; 'Mindy Lewis'; 'MJ Loveland'; 'mjnelson'; 'mkm7200'; 'Nick W. Glover'; NSU, ADW Well Integrity Engineer; 'Patty Alfaro'; 'Paul Decker'; 'Paul Winslow'; Pierce, Sandra M (DNR); 'Randall Kanady'; 'Randy L. Skillern'; 'rcrotty'; Rice, Cody J (DNR); 'rmclean'; rob.g.dragnich@exxonmobil.com; 'Robert Campbell'; 'Robert Province'; 'Roger Belman'; 'Rudy Brueggeman'; 'Scott Cranswick'; 'Shannon Donnelly'; 'Sharmaine Copeland'; 'Sondra Stewman'; 'Sonja Frankllin'; 'stanekj'; 'Stephen F Davies'; 'Steve Lambert'; 'Steve Moothart'; 'Steven R. Rossberg'; 'tablerk'; 'Tamera Sheffield'; 'Temple Davidson'; 'Terrie Hubble'; 'Thomas E Maunder'; 'Tim Lawlor'; 'Todd Durkee'; 'trmjr1'; 'Walter Featherly'; 'Walter Quay'; 'Wayne Rancier'

Attachments: Third Notice, Additional Info and Regulation 1-3-08.pdf;

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Thursday, January 03, 2008 3:46 PM
To: Buch, Bob (LAA); Bunde, Con (LAA); Chenault, Mike (LAA); Cissna, Sharon (LAA); Coghill, John (LAA); Cowdery, John (LAA); Crawford, Harry (LAA); Dahlstrom, Nancy (LAA); Davis, Bettye J (LAA); Doll, Andrea (LAA); Doogan, Mike (LAA); Dyson, Fred (LAA); Edgmon, Bryce E (LAA); Ellis, Johnny (LAA); Elton, Kim S (LAA); Fairclough, Anna (LAA); 'Foster, Richard'; French, Hollis (LAA); Gara, Les (LAA); Gardner, Berta (LAA); Gatto, Carl (LAA); Green, Lyda N (LAA); Gruenberg, Max F (LAA); Guttenberg, David (LAA); Harris, John (LAA); Hawker, Mike (LAA); Hoffman, Lyman F (LAA); Holmes, Lindsey (LAA); Huggins, Charlie (LAA); Johansen, Kyle B (LAA); Johnson, Craig W (LAA); Joule, Reggie (LAA); Kawasaki, Scott Jw (LAA); Keller, Wes (LAA); Kelly, Mike (LAA); Kerttula, Beth (LAA); Kookesh, Albert (LAA); Ledoux, Gabrielle R (LAA); Lynn, Bob (LAA); McGuire, Lesil L (LAA); Meyer, Kevin G (LAA); Nelson, Mary (LAA); Neuman, Mark A (LAA); Olson, Donny (LAA); Olson, Kurt E (LAA); Ramras, Jay B (LAA); Roses, Bob (LAA); Salmon, Woodie W (LAA); Samuels, Ralph (LAA); Seaton, Paul (LAA); Stedman, Bert K (LAA); Stevens, Gary L (LAA); Stoltze, Bill (LAA); Therriault, Gene (LAA); Thomas, Bill (LAA); Thomas, Joe (LAA); Wagoner, Tom (LAA); Wielechowski, Bill (LAA); Wilken, Gary R (LAA); Wilson, Peggy A (LAA)
Subject: Third Notice, Additional Regulations Notice Information, Regulation 1-3-08
Attachments: Third Notice, Additional Info and Regulation 1-3-08.pdf

BCC:Beecher, Carol L (DOA)

Attachments:Third Notice, Additional Info and Regulation 1-3-08.pdf;

SERVICE LIST FOR PROPOSED AMENDMENTS TO 20 AAC 25.110

On January 4, 2008, the amended public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Annette Kreitzer
Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811

Legislative Reference Library
Legislative Affairs Agency
State Capitol
Juneau, AK 99801
Mail Stop: 3101

Senator Charlie Huggins, Chair
Senate Resources
State Capitol
Juneau, Alaska 99801

Representative Kurt Olson, Chair
House Oil & Gas Special Committee
State Capitol
Juneau, Alaska 99801

Senator Lesil McGuire, Chair
Administrative Regulation Review
State Capitol
Juneau, Alaska 99801

Senator John Cowdery, Chair
Legislative Council
State Capitol
Juneau, Alaska 99801

On January 4, 2008, the amended public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Debra Behr
Chief Assistant Attorney General
Legislation and Regulations Section
Department of Law
PO Box 110300
Juneau, AK 99811

Mary Jones
XTO Energy, Inc.
Cartography
810 Houston Street, Ste 2000
Ft. Worth, TX 76102-6298

David McCaleb
IHS Energy Group
GEPS
5333 Westheimer, Ste 100
Houston, TX 77056

Cindi Walker
Tesoro Refining and Marketing Co.
Supply & Distribution
300 Concord Plaza Drive
San Antonio, TX 78216

George Vaught, Jr.
PO Box 13557
Denver, CO 80201-3557

Jerry Hodgden
Hodgden Oil Company
408 18th Street
Golden, CO 80401-2433

Richard Nearing
NRG Associates
President
PO Box 1655
Colorado Springs, CO 80901

John Levorsen
200 North 3rd Street, #1202
Boise, ID 83702

Michael Parks
Marple's Business Newsletter
117 West Mercer St, Ste 200
Seattle, WA 98119-3960

Mark Wedman
Halliburton
6900 Arctic Blvd.
Anchorage, AK 99502

Baker Oil Tools
4730 Business Park Blvd., #44
Anchorage, AK 99503

Schlumberger
Drilling and Measurements
2525 Gambell Street #400
Anchorage, AK 99503

Ciri
Land Department
PO Box 93330
Anchorage, AK 99503

Ivan Gillian
9649 Musket Bell Cr.#5
Anchorage, AK 99507

Jill Schneider
US Geological Survey
4200 University Dr.
Anchorage, AK 99508

Gordon Severson
3201 Westmar Cr.
Anchorage, AK 99508-4336

Jack Hakkila
PO Box 190083
Anchorage, AK 99519

Darwin Waldsmith
PO Box 39309
Ninilchick, AK 99639

James Gibbs
PO Box 1597
Soldotna, AK 99669

Kenai National Wildlife Refuge
Refuge Manager
PO Box 2139
Soldotna, AK 99669-2139

Penny Vadla
399 West Riverview Avenue
Soldotna, AK 99669-7714

Richard Wagner
PO Box 60868
Fairbanks, AK 99706

Cliff Burglin
PO Box 70131
Fairbanks, AK 99707

Bernie Karl
K&K Recycling Inc.
PO Box 58055
Fairbanks, AK 99711

North Slope Borough
PO Box 69
Barrow, AK 99723

Williams Thomas
Arctic Slope Regional Corporation
Land Department
PO Box 129
Barrow, AK 99723

*mailed 1/7/08
Wagner*

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) Unless abandonment is required under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The operator must demonstrate to the commission's satisfaction why the well should not be abandoned or completed.

(b) An Application for Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include

- (1) the reason and supporting documentation for suspension;
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (3) information on abnormally geo-pressured or depleted strata;
- (4) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated; and
- (5) evidence that all freshwater and hydrocarbon resources are protected.

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) A suspension approved after the effective date of this section will be valid for no more than 10 years or until the reason for granting the suspension is no longer valid, whichever is earlier. Reauthorizations may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted

within one year of January 1 of every year ending in 0 or 5. Each time the operator inspects the well site under this subsection, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and reapply for suspended status by filing an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:

(1) within one year of the effective date of this section for any well suspended prior to January 1, 2005; and

(2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

(h) Within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:

(1) a summary of any changes noted since the last report was filed;

(2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;

(3) well-head pressure readings;

(4) a description of the condition of the well head and surface location, including any fluids(s) or sheen(s) visible on the ground or in any surrounding water; and

(5) photographs clearly showing the well head and the surrounding location.

(i) If any criterion within this section is not or ceases to be satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.

History: Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030

5

STATE OF ALASKA

NOTICE TO PUBLISHER

ADVERTISING ORDER NO.

ADVERTISING
ORDERINVOICE MUST BE IN TRIPPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED
AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF
ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814026

SEE BOTTOM FOR INVOICE ADDRESS

F R O M	AOGCC 333 W 7th Ave, Ste 100 Anchorage, AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793-1221	DATE OF A.O. November 29, 2007 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	DATES ADVERTISEMENT REQUIRED: November 30, 2007	THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.
		SPECIAL INSTRUCTIONS: Advertisement to be published was e-mailed	

Type of Advertisement Legal Display Classified Other (Specify)

SEE ATTACHED

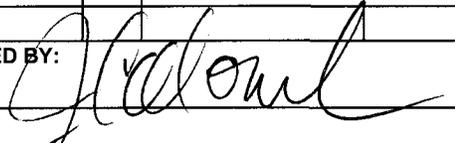
SEND INVOICE IN TRIPPLICATE TO AOGCC, 333 W. 7th Ave., Suite 100
Anchorage, AK 99501

PAGE 1 OF
2 PAGESTOTAL OF
ALL PAGES\$

REF	TYPE	NUMBER	AMOUNT	DATE	COMMENTS
1	VEN				
2	ARD	02910			

FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMR	
								DIST	LIQ
1		08	02140100			73451			
2									

REQUISITIONED BY:



DIVISION APPROVAL:

02-902 (Rev. 3/94)

Publisher/Original Copies: Department Fiscal, Department, Receiving

AO.FRM

STATE OF ALASKA
AMENDED NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF
THE ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells, including the following:

The proposed regulations changes referenced above clarify what is expected of operators with respect to the surveillance, maintenance, and reporting requirements for suspended wells throughout the State.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on January 8, 2008.

A public hearing on the proposed changes will be held on January 15, 2008, at the AOGCC. The hearing will begin at 9:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on January 10, 2008, to ensure that any necessary, reasonable accommodations can be provided.

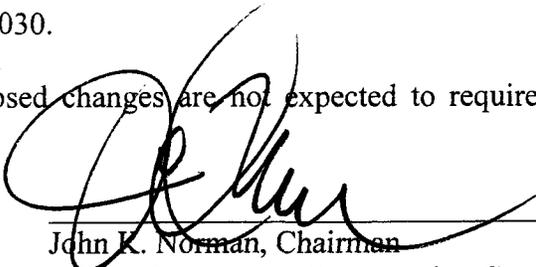
After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: November 29, 2007



John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission

ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: November 29, 2007.
10. Prepared by: 
Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) Unless abandonment is required under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The operator must demonstrate to the commission's satisfaction why the well should not be abandoned or completed.

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- (1) the reason and supporting documentation for suspension;
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (3) information on abnormally geo-pressured or depleted strata;
- (4) a description of the proposed work plan including demonstration of integrity of existing and proposed plugs; and
- (5) evidence that freshwater and hydrocarbon resources are protected.

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) A suspension approved after the effective date of this section will be valid for no more than 10 years. Extensions may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year of January 1 of every year ending in 0 or 5. Each time the operator inspects the well site

under this subsection, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and reapply for suspended status by filing an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:

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(2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

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(2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;

(3) well-head pressure readings;

(4) a description of the condition of the well head and surface location including any fluids(s) or sheen(s) visible on the ground or in the surrounding waters; and

(5) photographs clearly showing the well head and the surrounding location.

(i) If any criterion within this section is not satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.

History: Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ____/____/____, Register ____)

Authority: AS 31.05.030

Colombie, Jody J (DOA)

From: Ads, Legal [legalads@adn.com]
Sent: Thursday, November 29, 2007 4:18 PM
To: Colombie, Jody J (DOA)
Subject: RE: Thank you so much!!!
Attachments: STOF0330.pdf; STOF0330(2).pdf

The following is the confirmation information on your legal notice. Please review and let me know if you have any changes or questions.

Account Number: STOF0330
Ad Number: 388564
PO/AO#: 02814025
Run Dates: NOVEMBER 30, 2007
Total Cost Of Notice: \$338.64

-----Original Message-----

From: Colombie, Jody J (DOA) [mailto:jody.colombie@alaska.gov]
Sent: Thursday, November 29, 2007 4:07 PM
To: Ads, Legal
Subject: RE: Thank you so much!!!

The additional information needs to be added please.

Thanks again!

From: Ads, Legal [mailto:legalads@adn.com]
Sent: Thursday, November 29, 2007 4:04 PM
To: Colombie, Jody J (DOA)
Subject: RE: Thank you so much!!!

The following is the confirmation information on your legal notice. Please review and let me know if you have any changes or questions.

Account Number: STOF0330
Ad Number: 388564
PO/AO#: 02814025
Run Dates: NOVEMBER 30, 2007
Total Cost Of Notice: \$177.62

-----Original Message-----

From: Colombie, Jody J (DOA) [mailto:jody.colombie@alaska.gov]
Sent: Thursday, November 29, 2007 3:51 PM
To: Ads, Legal
Subject: Thank you so much!!!
Importance: High

ADVERTISING ORDER

INVOICE MUST BE IN TRIPPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814025

SEE BOTTOM FOR INVOICE ADDRESS

F R O M	AOGCC 333 West 7 th Avenue. Suite 100 Anchorage. AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793 -1221	DATE OF A.O. November 29, 2007 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	DATES ADVERTISEMENT REQUIRED: November 30, 2007	
		THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.	
		SPECIAL INSTRUCTIONS: Account # STOF0330	

AFFIDAVIT OF PUBLICATION

United states of America

State of _____ ss

_____ division.

Before me, the undersigned, a notary public this day personally appeared

_____ who, being first duly sworn, according to law, says that

he/she is the _____ of _____

Published at _____ in said division _____ and

state of _____ and that the advertisement, of which the annexed

is a true copy, was published in said publication on the _____ day of

_____ 2007, and thereafter for _____ consecutive days, the last

publication appearing on the _____ day of _____, 2007, and that

the rate charged thereon is not in excess of the rate charged private

individuals.

Subscribed and sworn to before me

This _____ day of _____ 2007,

Notary public for state of _____

My commission expires _____

REMINDER

INVOICE MUST BE IN TRIPPLICATE AND MUST REFERENCE THE ADVERTISING ORDER NUMBER.

A CERTIFIED COPY OF THIS AFFIDAVIT OF PUBLICATION MUST BE SUBMITTED WITH THE INVOICE.

ATTACH PROOF OF PUBLICATION HERE.

STATE OF ALASKA
AMENDED NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF
THE ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells, including the following:

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A public hearing on the proposed changes will be held on January 15, 2008, at the AOGCC. The hearing will begin at 9:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on January 10, 2008, to ensure that any necessary, reasonable accommodations can be provided.

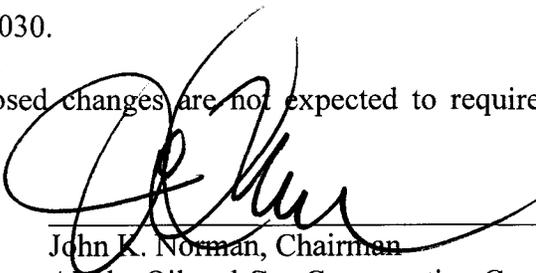
After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: November 29, 2007



John K. Norman, Chairman

Alaska Oil and Gas Conservation Commission

ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: November 29, 2007.
10. Prepared by: 
Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Thursday, November 29, 2007 4:31 PM
Subject: Amended AOGCC Proposed Changes dealing with Suspended Wells
Attachments: Amended Notice and Additional Regulations Notice Information and Regulation.pdf

BCC:McIver, C (DOA); 'legislative_library@legis.state.ak.us'; 'Alan Birnbaum <"" Alan J Birnbaum "> (alan.birnbaum@alaska.gov)'; 'Aleutians East Borough'; 'Anna Raff'; Arion, Teri A (DNR); 'Arthur C Saltmarsh'; 'Arthur Copoulos'; 'Barbara F Fullmer'; 'bbritch'; 'Bill Walker'; 'Brad McKim'; 'Brandon Gagnon'; 'Brian Gillespie'; 'Brian Havelock'; 'Brit Lively'; 'Bruce Webb'; 'buonoje'; 'Cammy Taylor'; 'carol smyth'; 'Cary Carrigan'; 'Catherine P Foerster'; 'Charles O'Donnell'; 'Chris Gay'; 'Christian Gou-Leonhardt'; 'Cliff Posey'; 'Dan Bross'; 'dapa'; 'Daryl J. Kleppin'; 'David L Boelens'; 'David Steingreaber'; 'ddonkel'; 'Deanna Gamble'; 'Deborah J. Jones'; 'doug_schultze'; 'Evan Harness'; 'eyancy'; 'foms2@mtaonline.net'; 'Francis S. Sommer'; 'Fred Steece'; 'Garland Robinson'; 'Gary Laughlin'; 'Gary Rogers'; 'Gary Schultz'; 'ghammons'; 'Gordon Pospisil'; 'Gregg Nady'; 'gregory micallef'; 'gspfoff'; 'Hank Alford'; 'Harry Engel'; 'jah'; 'James B Regg'; 'James M. Ruud'; 'James Scherr'; 'Janet D. Platt'; 'jdarlington'; 'jejones'; 'Jerry McCutcheon'; 'Jim White'; 'Jim Winegarner'; 'Joe Nicks'; 'John Garing'; 'John S. Haworth'; 'John Spain'; 'John Tower'; 'John W Katz'; johnny.aiken@north-slope.org; 'Jon Goltz'; 'Julie Houle'; 'Kari Moriarty'; 'Kaynell Zeman'; 'Keith Wiles'; knelson@petroleumnews.com; 'Kristin Dirks'; 'Laura Silliphant'; 'Lois'; 'Lynnda Kahn'; 'mail=akpratts@acsalaska.net'; 'mail=crockett@aoga.org'; 'mail=foms@mtaonline.net'; 'Mark Dalton'; 'Mark Hanley'; 'Mark Kovac'; 'Mark P. Worcester'; 'Marquerite kremer'; 'marty'; 'Matt Rader'; 'mckay'; 'Meghan Powell'; 'Mike Bill'; 'Mike Mason'; 'Mikel Schultz'; 'Mindy Lewis'; 'MJ Loveland'; 'mjnelson'; 'mkm7200'; 'Nick W. Glover'; 'Patty Alfaro'; 'Paul Decker'; 'Paul Winslow'; Pierce, Sandra M (DNR); 'Randall Kanady'; 'Randy L. Skillern'; 'rcrotty'; Rice, Cody J (DNR); 'rmclean'; 'Robert Campbell'; 'Robert Province'; 'Roger Belman'; 'Rudy Brueggeman'; 'Scott Cranswick'; 'Shannon Donnelly'; 'Sharmaine Copeland'; 'Sondra Stewman'; 'Sonja Franklin'; 'stanekj'; 'Stephen F Davies'; 'Steve Lambert'; 'Steve Moothart'; 'Steven R. Rossberg'; 'tablerk'; 'Tamera Sheffield'; 'Temple Davidson'; 'Terrie Hubble'; 'Thomas E Maunder'; 'Tim Lawlor'; 'Todd Durkee'; 'trmjrl'; 'Walter Featherly'; 'Walter Quay'; 'Wayne Rancier'; Buch, Bob (LAA); Bunde, Con (LAA); Chenault, Mike (LAA); Cissna, Sharon (LAA); Coghill, John (LAA); Cowdery, John (LAA); Crawford, Harry (LAA); Dahlstrom, Nancy (LAA); Davis, Bettye J (LAA); Doll, Andrea (LAA); Doogan, Mike (LAA); Dyson, Fred (LAA); Edgmon, Bryce E (LAA); Ellis, Johnny (LAA); Elton, Kim S (LAA); Fairclough, Anna (LAA); 'Foster, Richard'; French, Hollis (LAA); Gara, Les (LAA); Gardner, Berta (LAA); Gatto, Carl (LAA); Green, Lyda N (LAA); Gruenberg, Max F (LAA); Guttenberg, David (LAA); Harris, John (LAA); Hawker, Mike (LAA); Hoffman, Lyman F (LAA); Holmes, Lindsey (LAA); Huggins, Charlie (LAA); Johansen, Kyle B (LAA); Johnson, Craig W (LAA); Joule, Reggie (LAA); Kawasaki, Scott Jw (LAA); Keller, Wes (LAA); Kelly, Mike (LAA); Kerttula, Beth (LAA); Kookesh, Albert (LAA); Ledoux, Gabrielle R (LAA); Lynn, Bob (LAA); McGuire, Lesil L (LAA); Meyer, Kevin G (LAA); Nelson, Mary (LAA); Neuman, Mark A (LAA); Olson, Donny (LAA); Olson, Kurt E (LAA); Ramras, Jay B (LAA); Roses, Bob (LAA); Salmon, Woodie W (LAA); Samuels, Ralph (LAA); Seaton, Paul (LAA); Stedman, Bert K (LAA); Stevens, Gary L (LAA); Stoltze, Bill (LAA); Therriault, Gene (LAA); Thomas, Bill (LAA); Thomas, Joe (LAA); Wagoner, Tom (LAA); Wielechowski, Bill (LAA); Wilken, Gary R (LAA); Wilson, Peggy A (LAA)

Attachments:Amended Notice and Additional Regulations Notice Information and Regulation.pdf;
 All-

Attached is an amended version of the proposed regulation changes that were e-mailed yesterday.

Jody Colombie

11/29/2007

Mary Jones
XTO Energy, Inc.
Cartography
810 Houston Street, Ste 2000
Ft. Worth, TX 76102-6298

David McCaleb
IHS Energy Group
GEPS
5333 Westheimer, Ste 100
Houston, TX 77056

Mona Dickens
Tesoro Refining and Marketing Co.
Supply & Distribution
300 Concord Plaza Drive
San Antonio, TX 78216

George Vaught, Jr.
PO Box 13557
Denver, CO 80201-3557

Jerry Hodgden
Hodgden Oil Company
408 18th Street
Golden, CO 80401-2433

Richard Neahrng
NRG Associates
President
PO Box 1655
Colorado Springs, CO 80901

John Levorsen
200 North 3rd Street, #1202
Boise, ID 83702

Michael Parks
Marple's Business Newsletter
117 West Mercer St, Ste 200
Seattle, WA 98119-3960

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Anchorage, AK 99502

Baker Oil Tools
4730 Business Park Blvd., #44
Anchorage, AK 99503

Schlumberger
Drilling and Measurements
2525 Gambell Street #400
Anchorage, AK 99503

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Refuge Manager
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Soldotna, AK 99669-2139

Penny Vadla
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Soldotna, AK 99669-7714

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Fairbanks, AK 99706

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Fairbanks, AK 99707

Bernie Karl
K&K Recycling Inc.
PO Box 58055
Fairbanks, AK 99711

North Slope Borough
PO Box 69
Barrow, AK 99723

Williams Thomas
Arctic Slope Regional Corporation
Land Department
PO Box 129
Barrow, AK 99723

Mailed 11/30/07

SERVICE LIST FOR PROPOSED AMENDMENTS TO 20 AAC 25.110

On November 30, 2007, the amended public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Annette Kreitzer
Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811

Legislative Reference Library
Legislative Affairs Agency
State Capitol
Juneau, AK 99801
Mail Stop: 3101

Senator Charlie Huggins, Chair
Senate Resources
State Capitol
Juneau, Alaska 99801

Representative Kurt Olson, Chair
House Oil & Gas Special Committee
State Capitol
Juneau, Alaska 99801

Senator Lesil McGuire, Chair
Administrative Regulation Review
State Capitol
Juneau, Alaska 99801

Senator John Cowdery, Chair
Legislative Council
State Capitol
Juneau, Alaska 99801

On November 30, 2007, the amended public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Debra Behr
Chief Assistant Attorney General
Legislation and Regulations Section
Department of Law
PO Box 110300
Juneau, AK 99811

20 AAC 25.110 is repealed and readopted to read:

20 AAC 25.110. Suspended wells. (a) Unless abandonment is required under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The operator must demonstrate to the commission's satisfaction why the well should not be abandoned or completed.

(b) An Application for Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include

- (1) the reason and supporting documentation for suspension;
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (3) information on abnormally geo-pressured or depleted strata;
- (4) a description of the proposed work plan including demonstration of integrity of existing and proposed plugs; and
- (5) evidence that freshwater and hydrocarbon resources are protected.

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) A suspension approved after the effective date of this section will be valid for no more than 10 years. Extensions may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year of January 1 of every year ending in 0 or 5. Each time the operator inspects the well site

under this subsection, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and reapply for suspended status by filing an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:

(1) within one year of the effective date of this section for any well suspended prior to January 1, 2005; and

(2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

(h) Within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:

(1) a summary of any changes noted since the last report was filed;

(2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;

(3) well-head pressure readings;

(4) a description of the condition of the well head and surface location including any fluids(s) or sheen(s) visible on the ground or in the surrounding waters; and

(5) photographs clearly showing the well head and the surrounding location.

(i) If any criterion within this section is not satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.

History: Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030

4

MEMORANDUM

State of Alaska
Department of Law

To: John K. Norman, Chairman
Alaska Oil and Gas Conservation
Commission
Dept. of Administration

Date: November 30, 2007

File No.: 993-08-0084

Tel. No.: 465-3600


From: Deborah E. Behr
Chief Assistant Attorney General
and Regulations Attorney
Legislation and Regulations Section

Re: Regulations File Opening Re:
Suspended Wells
(20 AAC 25.110)

We have received your memorandum of November 28, 2007 regarding this project, along with a copy of the proposed regulations and related documents. The project has been assigned to Assistant Attorney General Alan Birnbaum, phone number 269-5100.

Our department's file number for this project is 993-08-0084. This file number should be used on any further correspondence pertaining to this project.

DEB:pvp

cc: Carol Beecher, Regulations Contact
Dept. of Administration

Jody Colombie, Project Lead
Alaska Oil and Gas Conservation Commission
Dept. of Administration

Jason Hooley, AAC Coordinator
Lt. Governor's Office

Tina Kobayashi, Acting Supervising Attorney
Oil, Gas & Mining Section

Alan Birnbaum, Assistant Attorney General
Anchorage



#3

STATE OF ALASKA

NOTICE TO PUBLISHER

ADVERTISING ORDER NO.

ADVERTISING
ORDERINVOICE MUST BE IN TRIPPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED
AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF
ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814025

SEE BOTTOM FOR INVOICE ADDRESS

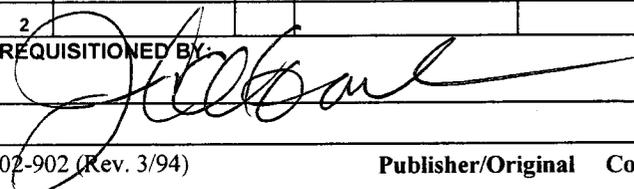
F R O M	AOGCC 333 W 7th Ave, Ste 100 Anchorage, AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793-1221	DATE OF A.O. November 28, 2007 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	NOVEMBER 29, 2007	DATES ADVERTISEMENT REQUIRED: November 29, 2007
		THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.	
		SPECIAL INSTRUCTIONS: Advertisement to be published was e-mailed	

Type of Advertisement Legal Display Classified Other (Specify)

SEE ATTACHED

SEND INVOICE IN TRIPPLICATE

AOGCC, 333 W. 7th Ave., Suite 100
Anchorage, AK 99501PAGE 1 OF
2 PAGESTOTAL OF
ALL PAGES\$

REF	TYPE	NUMBER	AMOUNT	DATE	COMMENTS					
1	VEN									
2	ARD	02910								
FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMR		
1		08	02140100			73451		DIST	LIQ	
2										
REQUISITIONED BY: 							DIVISION APPROVAL:			

02-902 (Rev. 3/94)

Publisher/Original Copies: Department Fiscal, Department, Receiving

AO.FRM

STATE OF ALASKA
NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on January 8, 2008.

A public hearing on the proposed changes will be held on January 15, 2008, at the AOGCC. The hearing will begin at 9:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on January 10, 2008, to ensure that any necessary, reasonable accommodations can be provided.

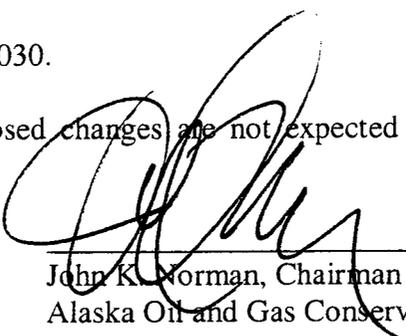
After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

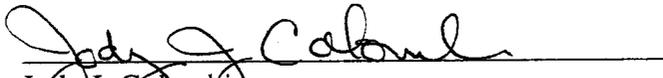
Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: November 28, 2007



John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission

ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: November 28, 2007.
10. Prepared by: 
Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

ADVERTISING ORDER

SEE BOTTOM FOR INVOICE ADDRESS

INVOICE MUST BE IN TRIPLICATE SHOWING ADVERTISING ORDER NO., CERTIFIED AFFIDAVIT OF PUBLICATION (PART 2 OF THIS FORM) WITH ATTACHED COPY OF ADVERTISEMENT MUST BE SUBMITTED WITH INVOICE

AO-02814025

F R O M	AOGCC 333 West 7 th Avenue. Suite 100 Anchorage. AK 99501 907-793-1238	AGENCY CONTACT Jody Colombie PHONE (907) 793-1221	DATE OF A.O. November 28, 2007 PCN
	T O Anchorage Daily News PO Box 149001 Anchorage, AK 99514	DATES ADVERTISEMENT REQUIRED: November 29, 2007	
		THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY ON THE DATES SHOWN.	
		SPECIAL INSTRUCTIONS: Account # STOF0330	

AFFIDAVIT OF PUBLICATION

United states of America

State of _____ ss
_____ division.

Before me, the undersigned, a notary public this day personally appeared _____ who, being first duly sworn, according to law, says that he/she is the _____ of _____

Published at _____ in said division _____ and state of _____ and that the advertisement, of which the annexed is a true copy, was published in said publication on the _____ day of _____ 2007, and thereafter for _____ consecutive days, the last publication appearing on the _____ day of _____, 2007, and that the rate charged thereon is not in excess of the rate charged private individuals.

Subscribed and sworn to before me

This _____ day of _____ 2007,

Notary public for state of _____
My commission expires _____

REMINDER

INVOICE MUST BE IN TRIPLICATE AND MUST REFERENCE THE ADVERTISING ORDER NUMBER. A CERTIFIED COPY OF THIS AFFIDAVIT OF PUBLICATION MUST BE SUBMITTED WITH THE INVOICE.

ATTACH PROOF OF PUBLICATION HERE.

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Wednesday, November 28, 2007 3:09 PM
To: 'Ads, Legal'
Subject: RE: Public Notice

perfect.

From: Ads, Legal [mailto:legalads@adn.com]
Sent: Wednesday, November 28, 2007 3:07 PM
To: Colombie, Jody J (DOA)
Subject: RE: Public Notice

Following is the confirmation on your legal notice. **Please fully review all attachments and let me know if there are any changes.** And, please let me know if you have any questions or need additional information.

AFFIDAVITS WILL BE MAILED OUT APPROXIMATELY 10 BUSINESS DAYS AFTER THE LAST DATE OF PUBLICATION.

PLEASE KEEP THE FOLLOWING INFORMATION AS IT WILL QUICKLY ASSIST IN THE CASE THIS AD NEEDS TO BE PULLED UP IN THE FUTURE.

Account Number: STOF0330
Legal Ad Number: 387834
Classification: Rules & Regulations (9100)
Publication Date(s): November 29, 2007
Your Reference Number: 02814025
Total Cost of Legal Notice: \$388.44

Email legal ads to legalads@adn.com / View legal ads at <http://www.legalnotice.org/pl/adn/landing1.aspx>

Angelina Benjamin
Classified Legal Specialist | Anchorage Daily News
Direct: 907-257-4296 | Fax: 907-279-8170
ABenjamin@adn.com | 1001 Northway Drive | Anchorage, AK 99508

adn.com
Anchorage Daily News

11/28/2007

STOF0330
TX 387834

\$388.44
AO 02814025

AFFIDAVIT OF PUBLICATION

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

MHAMMONP

being first duly sworn on oath deposes and says that he/she is an representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

11.29.07

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed [Signature]

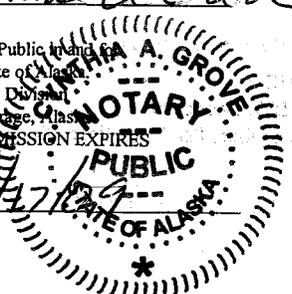
Subscribed and sworn to before

me this 19 day of Feb

20 08

Cynthia A Grove

Notary Public in and for the State of Alaska, Third District, Anchorage, Alaska
MY COMMISSION EXPIRES



STATE OF ALASKA NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on January 8, 2008.

A public hearing on the proposed changes will be held on January 15, 2008, at the AOGCC. The hearing will begin at 9:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on January 10, 2008, to ensure that any necessary, reasonable accommodations can be provided.

After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED. Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: November 28, 2007

John K. Norman, Chairman

Alaska Oil and Gas Conservation Commission

ADDITIONAL REGULATIONS NOTICE INFORMATION (AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100, Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: November 28, 2007.
10. Prepared by: Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

AO-02814025
Publish: November 29, 2007

Anchorage Daily News Affidavit of Publication

12/3/2007

1001 Northway Drive, Anchorage, AK 99508

AD#	DATE	PO	ACCOUNT	PRICE PER DAY	OTHER CHARGES	OTHER CHARGES #2	OTHER CHARGES #3	OTHER CHARGES #4	OTHER CHARGES #5	GRAND TOTAL
387834	11/29/2007	02814025	STOF0330	\$388.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$388.44
				\$388.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$388.44

RECEIVED

DEC 1 2 2007

Alaska Oil & Gas Cons. Commission
Anchorage

**STATE OF ALASKA
THIRD JUDICIAL DISTRICT**

Angelina Benjamin, being first duly sworn on oath deposes and says that she is an advertising representative of the Anchorage Daily News, a daily newspaper.

That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on the above dates and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed *Angelina Benjamin*

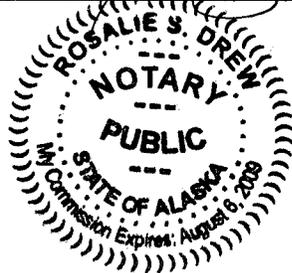
Subscribed and sworn to me before this date:

12/4/07

Notary Public in and for the State of Alaska.
Third Division, Anchorage, Alaska

MY COMMISSION EXPIRES: 8/6/09

Rosalie S. Drew



**STATE OF ALASKA
NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION**

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on January 8, 2008.

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Statutory Authority: AS 31.05.030.
Subject Statutes: AS 31.05.030.
Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: November 28, 2007
John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission

**ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))**

1. Adopting agency: Alaska Oil and Gas Conservation Commission.
2. General subject of regulations: suspended wells.
3. Citation of regulations: 20 AAC 25.110.
4. Reason for the proposed action: clarification of regulatory requirements.
5. RDU/component affected: Alaska Oil and Gas Conservation Commission.
6. Cost of implementation to the state agency: zero.
7. Contact person for the regulations:
Name: John K. Norman
Title: Chairman
Address: 333 W. 7th Avenue, Suite 100,
Anchorage, AK 99501
Telephone: (907) 793-1221
E-mail: jody.colombie@alaska.gov
8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: November 28, 2007.
10. Prepared by: Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

AO-02814025
Publish: November 29, 2007

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-----Original Message-----

From: Colombie, Jody J (DOA) [mailto:jody.colombie@alaska.gov]

Sent: Wednesday, November 28, 2007 2:08 PM

To: Ads, Legal

Subject: Public Notice

Please publish tomorrow.

11/28/2007

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Wednesday, November 28, 2007 2:08 PM
To: Legal Ads Anchorage Daily News
Subject: Public Notice
Attachments: Suspended Wells notice.doc; Additional Regulation Notice.doc; Ad Order ADN form.doc

Please publish tomorrow.

STATE OF ALASKA
NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE
ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission ("AOGCC") proposes to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, dealing with suspended wells.

For a copy of the proposed changes, contact Jody Colombie at the AOGCC (333 W. 7th Avenue, Suite 100, Anchorage, Alaska 99501, 907-793-1221) or visit the AOGCC Web site at <http://www.aogcc.alaska.gov>.

Written comments on the proposed changes can be submitted to the AOGCC. They must be received no later than 4:30 p.m. on January 8, 2008.

A public hearing on the proposed changes will be held on January 15, 2008, at the AOGCC. The hearing will begin at 9:00 a.m. and might be extended to accommodate those present before 9:30 a.m. who did not have an opportunity to comment. Oral and written comments may be submitted at the hearing.

If, because of a disability, you need a special accommodation to submit comments or attend the hearing, contact Jody Colombie by 12:00 p.m. on January 10, 2008, to ensure that any necessary, reasonable accommodations can be provided.

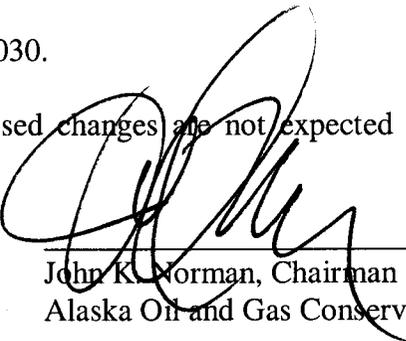
After the public comment period ends, the AOGCC will adopt, without further notice, the proposed or other changes to the suspended wells regulations or take no action. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written and oral comments are public records, subject to public disclosure.

Statutory Authority: AS 31.05.030.

Subject Statutes: AS 31.05.030.

Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: November 28, 2007



John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission

ADDITIONAL REGULATIONS NOTICE INFORMATION
(AS 44.62.190(d))

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8. Origin of the proposed action: Alaska Oil and Gas Conservation Commission staff.
9. Date: November 28, 2007.
10. Prepared by: 
Jody J. Colombie
Special Assistant
Alaska Oil and Gas Conservation Commission
(907) 793-1221

SERVICE LIST FOR PROPOSED AMENDMENTS TO 20 AAC 25.110

On November 28, 2007, the public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Annette Kreitzer
Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811

Legislative Reference Library
Legislative Affairs Agency
State Capitol
Juneau, AK 99801
Mail Stop: 3101

Senator Charlie Huggins, Chair
Senate Resources
State Capitol
Juneau, Alaska 99801

Representative Kurt Olson, Chair
House Oil & Gas Special Committee
State Capitol
Juneau, Alaska 99801

Senator Lesil McGuire, Chair
Administrative Regulation Review
State Capitol
Juneau, Alaska 99801

Senator John Cowdery, Chair
Legislative Council
State Capitol
Juneau, Alaska 99801

On November 28, 2007, the file-opening memorandum, public notice of proposed amendments to 20 AAC 25.110, Additional Regulations Notice Information, and proposed regulation were mailed to:

Debra Behr
Chief Assistant Attorney General
Legislation and Regulations Section
Department of Law
PO Box 110300
Juneau, AK 99811

Colombie, Jody J (DOA)

From: Colombie, Jody J (DOA)
Sent: Wednesday, November 28, 2007 4:19 PM
Subject: Public Notice, Additional Information and Proposed Regulation
Attachments: Notice and Additional Regulations Notice Information and Regulation.pdf

BCC:McIver, C (DOA); 'legislative_library@legis.state.ak.us'; 'Alan Birnbaum <""Alan J Birnbaum "> (alan.birnbaum@alaska.gov)'; 'Aleutians East Borough'; 'Anna Raff'; Arion, Teri A (DNR); 'Arthur C Saltmarsh'; 'Arthur Copoulos'; 'Barbara F Fullmer'; 'bbritch'; 'Bill Walker'; 'Brad McKim'; 'Brandon Gagnon'; 'Brian Gillespie'; 'Brian Havelock'; 'Brit Lively'; 'Bruce Webb'; 'buonoje'; 'Cammy Taylor'; 'carol smyth'; 'Cary Carrigan'; 'Catherine P Foerster'; 'Charles O'Donnell'; 'Chris Gay'; 'Christian Gou-Leonhardt'; 'Cliff Posey'; 'Dan Bross'; 'dapa'; 'Daryl J. Kleppin'; 'David L Boelens'; 'David Steingreaber'; 'ddonkel'; 'Deanna Gamble'; 'Deborah J. Jones'; 'doug_schultze'; 'Evan Harness'; 'eyancy'; 'foms2@mtaonline.net'; 'Francis S. Sommer'; 'Fred Steece'; 'Garland Robinson'; 'Gary Laughlin'; 'Gary Rogers'; 'Gary Schultz'; 'ghammons'; 'Gordon Pospisil'; 'Gregg Nady'; 'gregory micallef'; 'gspffoff'; 'Hank Alford'; 'Harry Engel'; 'jah'; 'James B Regg'; 'James M. Ruud'; 'James Scherr'; 'Janet D. Platt'; 'jdarlington'; 'jejones'; 'Jerry McCutcheon'; 'Jim White'; 'Jim Winegarner'; 'Joe Nicks'; 'John Garing'; 'John S. Haworth'; 'John Spain'; 'John Tower'; 'John W Katz'; johnny.aiken@north-slope.org; 'Jon Goltz'; 'Julie Houle'; 'Kari Moriarty'; 'Kaynell Zeman'; 'Keith Wiles'; knelson@petroleumnews.com; 'Kristin Dirks'; 'Laura Silliphant'; 'Lois'; 'Lynnda Kahn'; 'mail=akpratts@acsalaska.net'; 'mail=crockett@aoga.org'; 'mail=foms@mtaonline.net'; 'Mark Dalton'; 'Mark Hanley'; 'Mark Kovac'; 'Mark P. Worcester'; 'Marquerite kremer'; 'marty'; 'Matt Rader'; 'mckay'; 'Meghan Powell'; 'Mike Bill'; 'Mike Mason'; 'Mikel Schultz'; 'Mindy Lewis'; 'MJ Loveland'; 'mjnelson'; 'mkm7200'; 'Nick W. Glover'; 'Patty Alfaro'; 'Paul Decker'; 'Paul Winslow'; Pierce, Sandra M (DNR); 'Randall Kanady'; 'Randy L. Skillern'; 'rcrotty'; Rice, Cody J (DNR); 'rmclean'; 'Robert Campbell'; 'Robert Province'; 'Roger Belman'; 'Rudy Brueggeman'; 'Scott Cranswick'; 'Shannon Donnelly'; 'Sharmaine Copeland'; 'Sondra Stewman'; 'Sonja Frankllin'; 'stanekj'; 'Stephen F Davies'; 'Steve Lambert'; 'Steve Moothart'; 'Steven R. Rossberg'; 'tablerk'; 'Tamera Sheffield'; 'Temple Davidson'; 'Terrie Hubble'; 'Thomas E Maunder'; 'Tim Lawlor'; 'Todd Durkee'; 'trmjrl'; 'Walter Featherly'; 'Walter Quay'; 'Wayne Rancier'; Buch, Bob (LAA); Bunde, Con (LAA); Chenault, Mike (LAA); Cissna, Sharon (LAA); Coghill, John (LAA); Cowdery, John (LAA); Crawford, Harry (LAA); Dahlstrom, Nancy (LAA); Davis, Bettye J (LAA); Doll, Andrea (LAA); Doogan, Mike (LAA); Dyson, Fred (LAA); Edgmon, Bryce E (LAA); Ellis, Johnny (LAA); Elton, Kim S (LAA); Fairclough, Anna (LAA); 'Foster, Richard'; French, Hollis (LAA); Gara, Les (LAA); Gardner, Berta (LAA); Gatto, Carl (LAA); Green, Lyda N (LAA); Gruenberg, Max F (LAA); Guttenberg, David (LAA); Harris, John (LAA); Hawker, Mike (LAA); Hoffman, Lyman F (LAA); Holmes, Lindsey (LAA); Huggins, Charlie (LAA); Johansen, Kyle B (LAA); Johnson, Craig W (LAA); Joule, Reggie (LAA); Kawasaki, Scott Jw (LAA); Keller, Wes (LAA); Kelly, Mike (LAA); Kerttula, Beth (LAA); Kookesh, Albert (LAA); Ledoux, Gabrielle R (LAA); Lynn, Bob (LAA); McGuire, Lesil L (LAA); Meyer, Kevin G (LAA); Nelson, Mary (LAA); Neuman, Mark A (LAA); Olson, Donny (LAA); Olson, Kurt E (LAA); Ramras, Jay B (LAA); Roses, Bob (LAA); Salmon, Woodie W (LAA); Samuels, Ralph (LAA); Seaton, Paul (LAA); Stedman, Bert K (LAA); Stevens, Gary L (LAA); Stoltze, Bill (LAA); Therriault, Gene (LAA); Thomas, Bill (LAA); Thomas, Joe (LAA); Wagoner, Tom (LAA); Wielechowski, Bill (LAA); Wilken, Gary R (LAA); Wilson, Peggy A (LAA)

Attachments:Notice and Additional Regulations Notice Information and Regulation.pdf;

20 AAC 25.110 is repealed:

20 AAC 25.110. Suspended wells. (a) Unless abandonment is required under 20 AAC 25.105, an operator may apply to the commission under (b) of this section for suspension of a well. The operator must demonstrate to the commission's satisfaction why the well should not be abandoned or completed.

(b) An Application for Sundry Approvals (Form 10-403) must be submitted to and approved by the commission before plugging operations are begun in a well for which suspension is proposed, except that oral approval may be requested under 20 AAC 25.507(b). The application must include

- (1) the reason and supporting documentation for suspension;
- (2) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;
- (3) information on abnormally geo-pressured or depleted strata;
- (4) a description of the proposed work plan including demonstration of integrity of existing and proposed plugs; and
- (5) evidence that freshwater and hydrocarbon resources are protected.

(c) All hydrocarbon-bearing, freshwater, abnormally geo-pressured and depleted intervals must be plugged in accordance with the requirements of 20 AAC 25.112(c)(1), unless otherwise authorized by the commission.

(d) Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) A suspension approved after the effective date of this section will be valid for no more than 10 years. Extensions may be requested by the submission of an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5).

(f) For any well suspended on or after the effective date of this section, the operator must inspect the well site within 12 months of the date of suspension. Subsequent inspections must be conducted within one year of January 1 of every year ending in 0 or 5. Each time the operator inspects the well site

under this subsection, the operator must give the commission a minimum of ten days notice of intent to inspect the well site and provide the opportunity for commission inspectors to accompany the operator on the inspection tour.

(g) For any well suspended prior to the effective date of this section, the operator must inspect the well site and reapply for suspended status by filing an Application for Sundry Approvals containing the information required in subsection (b)(1)-(5) as follows:

(1) within one year of the effective date of this section for any well suspended prior to January 1, 2005; and

(2) within five years of the suspension date for any well suspended on or after January 1, 2005 but before the effective date of this section.

(h) Within 30 days of any well site inspection required under this section, the operator must file a Report of Sundry Well Operations (Form 10-404). The report shall include:

(1) a summary of any changes noted since the last report was filed;

(2) a plat showing the location of the suspended well and any new wells within a one-quarter mile radius of the wellbore;

(3) well-head pressure readings;

(4) a description of the condition of the well head and surface location including any fluids(s) or sheen(s) visible on the ground or in the surrounding waters; and

(5) photographs clearly showing the well head and the surrounding location.

(i) If any criterion within this section is not satisfied, the operator must plug and abandon the well in accordance with 20 AAC 25.112 and on a schedule approved by the commission.

History: Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___/___/___, Register ___)

Authority: AS 31.05.030

STATE OF ALASKA
NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE
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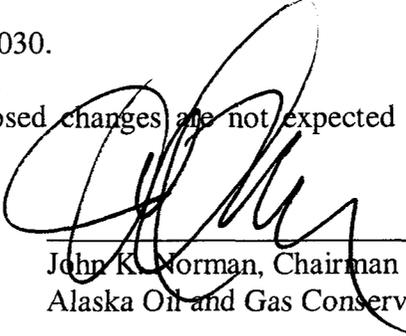
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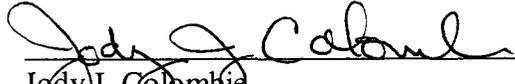
Fiscal Information: The proposed changes are not expected to require an increased appropriation.

Date: November 28, 2007



John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission

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E-mail: jody.colombie@alaska.gov
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History: Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am ___ / ___ / ___, Register ___)

Authority: AS 31.05.030

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*Mailed
11/28/07*

#2

MEMORANDUM

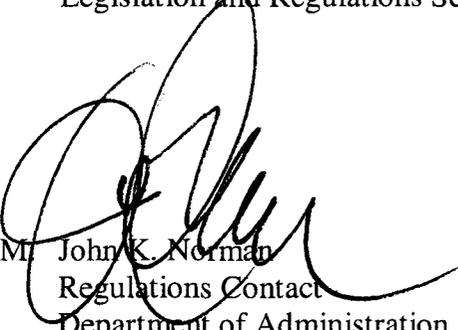
STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

TO: Deborah E. Behr
Chief Assistant Attorney General
Legislation and Regulations Section

DATE: November 28, 2007

SUBJECT: Request to Open File
Regarding Amendments
to Suspended Wells
Regulations,
20 AAC 25.110


FROM: John K. Norman
Regulations Contact
Department of Administration

Please open a file for an Alaska Oil and Gas Conservation Commission ("Commission") project to amend Title 20, Chapter 25, Section 110 of the Alaska Administrative Code, regarding suspended wells.

Enclosed is the public notice, Additional Regulations Notice Information, and proposed amendments to 20 AAC 25.110.

Please assign Assistant Attorney General Alan Birnbaum to this project. The Commission's contact person is Jody Colombie; her telephone number is 793-1221.

#1

Suggested Requirements for Status Reports on Suspended Wells

Problem

Well status reports for suspended wells provided to the Commission every five years are dissimilar in content and do not meet the intent of 20 AAC 25.110(e).

Proposed Solution

For any suspended well not on a pad with active operations, the operator should be required to provide proof of a summertime physical inspection that demonstrate no gaps in the integrity of the well or the well site every five years. Risks to public health, public safety and the environment are the main drivers for this proposed regulatory change.

Governing Regulations

20 AAC 25.110(e)

Until a suspended well has been abandoned or re-entered, the operator shall maintain the integrity of the location, provide the commission with a well status report every five years, and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) [for onshore wells] or with 20 AAC 25.172(c)(2) or (d) [for offshore wells].

20 AAC 25.170

(a)(2) unless the operator demonstrates to the commission that the surface owner has authorized a different disposition to facilitate a genuine beneficial use, the operator shall

- (A) remove all materials, supplies, structures and installations from the location;
- (B) remove all loose debris for the location;
- (C) fill and grade all pits or close them in another manner approved by the commission as adequate to protect public health and safety; and
- (D) leave the location in a clean and graded condition.

(b) If a well described in (a) of this section is located on state or federal land, and if the agency acting on behalf of the state or federal government as lessor approves a disposition different from that required under (a)(2) of this section, the commission will accept that disposition instead of requiring the operator to comply with (a)(2) of this section.

Discussion

There are currently 122 Alaskan wells designated suspended under 20 AAC 25.110, and 41 of these have been suspended for more than 15 years. The intent of 20 AAC 25.110(e) is to minimize risk to public health, safety and the environment by requiring a report every five years that demonstrates the integrity of each suspended well and its surrounding location.

Commission senior staff has noted a non-compliance with the intent of 20 AAC 25.110(e) and dissimilar responses by operators when submitting well status reports for suspended wells every five years. We propose modifying Commission regulations to expand and standardize reporting requirements to better meet the intent of 20 AAC 25.110(e).

On April 3, 2005, the Commission sent a letter to each operator requesting a suspended well report, listing the governing regulation and requesting the report provide:

1. the current mechanical condition of the well, including the condition of installed tubing and casing strings;

2. the date the well was suspended and the circumstances surrounding the decision to suspend the well; and
3. an analysis of the future utility of the well.

Reports from operators varied in form and detail. Attached are two examples of reports filed (Attachments 1 and 2), with the operator information redacted from each. The differences between these reports and their degree of conformance to the intent of the Commission's regulation and letter of request demonstrate the need to standardize documentation to confirm the condition of each well and each drilling location. This is especially important for wells located off Alaska's road system, which are not readily accessible and, therefore, not visited regularly.

Recommendations

Commission senior staff proposes that, for every well not located on a well pad with ongoing operations, representatives from the operator and a Commission inspector visit the well and its location during the summer preceeding every fifth anniversary of the date each well was designated suspended. These representatives will inspect the wellhead and the surrounding location and record:

- A. the condition of the wellhead;
- B. the presence of any pressure on the wellhead (if gauges have been installed in the wellhead);
- C. the condition of the location including any fluid(s) or sheen(s) visible on the ground or in the surrounding waters; and
- D. photographs clearly showing the condition of the well head and the surrounding location.

The operator should then provide a summary report of the findings to the Commission. That report should include each of these items and the ones identified in the April 2005 letter (and which are noted above).

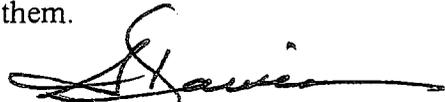
If a site visit was performed in advance of the suspended well reports filed in 2005, any information relating to a suspended well's condition should be submitted to the Commission with Form 10-404 within 60 days of the Commission's action on this recommendation.

Conclusions

Commission regulations should be modified to include standardized reporting with appropriate supporting documentation that will better meet the intent of 20 AAC 25.110(e). This will help the Commission ensure there are no problems or hazards associated with any suspended well.

Operators should be required to submit documentation of past site visits relating to the status of suspended wells and the integrity of locations surrounding them.


Tom Maunder, P.E.
Sr. Petroleum Engineer
June 26, 2007


Steve Davies
Sr. Petroleum Geologist

ATTACHMENT 1

Suspended Wells Report from Operator 1

Suspended Well Report									
wells on active pads									
AOGCC Suspension									
Well Name	Permit #	API Number	Well Status	Background	Mechanical Condition	Date	Future Utility	Notes	
1	179-	50-029-2-00	Suspended	Exploration well. Well suspended Apr80. Reported as suspended on 1995 AOGCC report.	Top of cement at 60-ft. Apr85: Pressure tested to 500-psi 15min.	4/15/1980	None.	Well located on an active service pad	
3	183-	50-029-2-00	Suspended	Suspended Dec83 with bridge plug in 2.875-in tubing, and 9.6-lb/gal brine and diesel freeze protect in 4.5-in x 2.875-in annulus and 9.625-in x 4.5-in annulus.	Apr85: Pressure test 13 3/8" - 9 5/8" annulus. Held 500-psi for 15-min. 9.625-in x 4.5-in Baker FHL packer	2/10/1983	Observation well and/or sidetrack candidate.	Well located on an active service pad	
4	196-	50-029-2-00	Suspended	Drilled Mar96. Delineation well	10-407 7May98: Three cement plugs set. 11,800 to 12,500-ft MD, bridge plug + cement @ 4,200-ft, surface wiper plug 5-ft to 250-ft.	3/3/1996	None.	Well located on an active producing pad	
2A	199-	50-029-2-01	Suspended	Mar01: Attempted coil tubing sidetrack. Well flowed and killed. Stuck pipe. Cut coil. Well suspended.	CIBP set at 8,770-ft MD. Displaced well to inhibited seawater and diesel freeze protect.	7/13/2003	Sidetrack candidate.	Well located on an active producing pad	
6	185-	50-029-2-00	Suspended	Drilled Jun85. ESP failed Sep90. Free flowed until excess gas production necessitated suspension. ESP pulled and well suspended.	Two cement plugs set with EZSV retainers - 9700-ft with cement from 9,452 to 9,750-ft MD, and 10,014-ft with cement from 9,952 to 10,018-ft MD.	10/27/1993	Sidetrack candidate.	Well located on an active producing pad	
5	196-	50-029-2-00	Suspended	Drilling operations suspended Mar96 after very poor 9.625-in surface cement job caused by hydrates. Estimated TOC @ 2,800-ft MD.	1) 9.625-in casing tested to 3,000-psi and float shoe with cement remains intact 2) mud and diesel in the casing exceeds 8.6-lb/gal BHP 3) dry hole tree tested to 5,000-psi.	3/23/1996	Sidetrack candidate.	Well located on an active producing pad	

ATTACHMENT 2

Suspended Wells Report from Operator 2

<u>Well</u>	<u>Status</u>	<u>Date of Status</u>	<u>Future Plans</u>
[REDACTED]	P&A'd	11/27/2000	sidetracked [REDACTED]
	suspended	4/25/1994	plans to test further
	suspended	4/25/1994	plans to perf
	suspended	4/25/1994	waiting on test results
	suspended	6/29/1999	shut in, no oil prod.
		5/18/1982	renamed [REDACTED]
	suspended	4/27/2001	sidetrack in future
	suspended	12/18/2004	waiting to drill off-set wells
	P&A'd	8/8/1997	permanently abandoned
	suspended	4/5/2002	waiting on [REDACTED] development drilling
	suspended	3/17/2001	waiting on [REDACTED] development drilling
	P&A'd	4/22/2005	permanently abandoned
	suspended	4/5/1978	wellbore has utility for operations in the future
suspended	4/28/2001	development studies ongoing	
suspended	4/6/2001	development studies ongoing	
suspended	4/4/2001	development studies ongoing	
suspended	4/23/2004	development studies ongoing	
[REDACTED]			
	suspended	3/28/2004	development studies ongoing
	suspended	4/11/2004	development studies ongoing
	suspended	4/3/1983	surface P&A operations being evaluated
	suspended	4/1/1976	surface P&A operations being evaluated
	suspended	4/22/1977	surface P&A operations being evaluated
	suspended	4/3/1984	surface P&A operations being evaluated
	suspended	5/15/1973	wellbore has utility for operations in the future
	suspended	5/15/1973	addressing options for well
	suspended	10/10/2003	waiting on seismic survey & development studies